Automotive

JUNE 22, 1992

Entire contents © 1992, Crain Communications, Inc. Use of editorial content without permission is strictly prohibited.

$75/YEAR; $2/COPY

C2710-3
#BXBBDJB*******5-DIGIT 20814
#030322908 2#02AN22551 99CWZ
ACQ EDITOR
ACQ EDITOR SRI
CONGRESSIONAL INFO SERV
4520 EAST-WEST HWY STE8
BETHESDA MD 20814
NEWSPAPER

late news

NADA election heats up

SANTA BARBARA, Calif. — For the first time since Ron Tonkin ran for office in 1987, there will be a contested election for the 1993 first vice president of the National Automobile Dealers Association. The winner is a shoo-in for the presidency the following year.

At its mid-year director's meeting, NADA directors nominated two candidates: William Dodge, NADA Region I vice president and owner of Classic Oldsmobile-Cadillac-GMC Truck in Falmouth, Maine; and Daniel Burns, NADA director who owns Dan Burns Oldsmobile in Delray Beach, Fla.

James K. Lust, this year's first vice president, was nominated for president for 1993. He owns Lust Chevrolet-Buick Co. in Aberdeen, S.D.

Five dealers were nominated for secretary: John Daub of Easton, Penn.; Edmund Elbert of Whitmore, Iowa; Ray Shepherd of Fort Scott, Kan.; and Robert Maguire of Bordentown, N.J.

Elections will be held at the October directors meeting in San Antonio.

— *Charles M. Thomas*

DeLorean figure gets prison, fine

LONDON — Former Group Lotus Chairman Frederick Bushell was sentenced Friday to three years in prison and fined £2.25 million (about $4.1 million) for his part in a conspiracy that defrauded the DeLorean sports car project of $17.6 million.

Bushell pleaded guilty in Crown Court in Belfast, Northern Ireland, last month to conspiring with former automaker John DeLorean and others, including the Colin Chapman, the late Lotus founder.

The British government last month issued an arrest warrant for DeLorean.

Bushell also was ordered to

see LATE NEWS, 2

JOE WILSSENS/AUTOMOTIVE NEWS

Toyota's new U.S. sales leaders, Yale Gieszl, left, and Shinji Sakai, promise to stay the course that has put Toyota on top. "There is a great need in the U.S. market for more of our quality-built American" products, Gieszl says.

Toyota's Gieszl charges ahead

We'll 'do what we do and try to do it better'

DAVID VERSICAL
National Editor

AURORA, Ill. — After two weeks on the job, Toyota sales boss Yale Gieszl has set his tone: Toyota Motor Sales U.S.A. Inc. will continue to grow because Americans want its products.

Last week, Gieszl made his first public appearance in his new role as he helped open a $46 million parts center here. He took advantage of nearly every opportunity to trumpet Toyota's U.S. investments.

MORE ON TOYOTA
Minority-dealer hiring probed ➤ 4
Green light for pickup ➤ 35

And he made it clear that Toyota has no plans to retreat in the face of trade pressure.

Gieszl said:

- The company will introduce six new Toyota and Lexus vehicles in the next 18 months. "That's aggressive," he said. "We'll continue to introduce new products that meet the needs of American consumers."
- Toyota won't alter any product plans for its Lexus Division to

see TOYOTA, 35

Japan makers scale back on investment

Cutback will mean fewer new models

RICHARD JOHNSON
Staff Reporter

TOKYO — In a quick reaction to a steep slump in sales and profits at home, Japan's carmakers will cut capital spending by nearly 10 percent in their current fiscal year.

The rollback in spending for new plants and equipment is expected to be the first of many over the next several years as Japan's industry learns to make do with less. Precisely how they learn to cope could affect the foundation of the global auto industry, analysts here say.

"Capital spending is the key to the future," said Shinya Iwakura, Honda Motor Co.'s senior product planner. "Those companies that do not have the capability to maintain capital spending will lose the (status) of a so-called international corporation," Iwakura said.

As the cuts take hold, analysts agree, Japan's carmakers will almost certainly build fewer model variations and make wider use of standardized parts. They also are expected to spend less on new foreign manufacturing sites and concentrate on European transplants when they do build plants overseas.

At the same time, the smaller development budgets seem likely to reinforce a move here toward longer product cycles, a move that would take some competitive heat off European and American

see CUTBACK, 20

Import leaders shiver in Buy American breeze

KRISTINE STIVEN BREESE
Staff Reporter

LOS ANGELES — Even here — amid palm trees, blue skies and 50 percent Japanese car penetration — the Buy American winds are blowing.

That's the word from West Coast auto executives and analysts who gathered last week at a "Motor City West" conference sponsored by the Advertising Club of Los Angeles and J.D. Power and Associates.

The meeting was pitched as a forum to debunk the myth that "Detroit is in the driver's seat of new-car development." But other realities — the closing quality gap, higher prices for Japanese cars and the highly charged political climate — kept surfacing during the five-hour session.

Protectionist sentiments "are always there, underlying in the American psyche," said Richard Recchia, executive vice president of Mitsubishi Motor Sales of America Inc. But they've been stirred up this year because of the presidential campaign and other political issues, he said.

Bill Bruce, general manager of Infiniti Division, said the Buy American sentiment hasn't swept luxury-car buyers — at least not yet. But it will begin to happen as domestic luxury cars near the

Mitsubishi's Richard Recchia: Protectionist sentiments "are always there, underlying in the American psyche."

quality of the Japanese imports, he said.

Through May, sales of Japanese luxury brands increased 15.2 percent over 1991. Sales of domestic luxury makes, pulled down by a sharp decline at Lincoln, dropped 5.9 percent. But domestic non-luxury makes improved their share, while Japan's slipped.

American Honda Motor Co. Inc., whose Accord has stumbled this year, has reacted. Earlier this year, its ad agency conducted focus

see IMPORTS, 35

Frankfurt may lose world-class car show to Berlin

DIANA T. KURYLKO
Staff Reporter

FRANKFURT — The 1991 edition of the Frankfurt auto show, Europe's biggest and most important auto-industry exposition, may have been the last.

According to industry executives, the 1993 edition and succeeding installments are likely to be held in Berlin.

Show organizers and industry executives will meet June 30 to decide whether to move the biennial event back to the old German capital, where it started in 1926. Organizers also will decide whether to recombine passenger cars and commercial vehicles into one event.

Trucks were spun off from the 1991 show, and a separate event was held for them earlier this year in Hanover.

"My requirement is that commercial vehicles and cars be held together as a consolidated event in Berlin," Werner Niefer, Mercedes-Benz AG chairman, said in a recent interview.

"Talks have been held, and (the move) appears to be realistic. Many people hope that the show goes back to Berlin where it started."

The show has been held in Frankfurt since 1951, and occupies a several-square-block exhibition site near the city's down-

see BERLIN, 35

Automotive News

LOTUS WON'T QUIT
Despite Elan axing, Lotus will stay in U.S. PAGE 4

WHIRLWIND AUDI
54 sports sedan bows and sells out in same month. PAGE 6

SVELTE GM SERVICE
Operations and technology groups to merge July 1. PAGE 6

ADS SHED NUTS AND BOLTS
New Audi 90 campaign stresses style and value. PAGE 6

SCANIA EXITS U.S.
Swedish heavy truck maker pulls plug on exports. PAGE 8

DEPARTMENTS	Page
Auction ads	26-29
Auction dates	29
Classifieds	30-34
Dealers	17
Incentives	36
Keith Crain	12
Letters	12-13
Obituaries	37
Opinion	12
Personnel	23
Trucks	16

JUNE TABLES	Page
JUNE 1	
Sales, 10 day by make	6
Production, weekly	45
JUNE 8	
Sales, May top 10	49
Sales, May by maker	48
Sales, year to date by maker	48
Sales, domestic car by model	49
Sales, light-truck by model	49
Production, weekly/May totals	51
JUNE 15	
Sales, imported car by model	16
Sales, Canada by make	23
Sales, dealer by make	16
Inventory, as of June 1	17
Production, weekly by model	39
TODAY	
Sales, truck by gvw	16
Sales, 10 day by make	22
Production, weekly by model	37
JUNE 29	
Sales, 10 day by make	
Production, weekly by model	

66th year—No. 5452

Advertising Production Dept. (313) 446-6063
Circulation Department
In Michigan ..... (313) 446-0480
Outside Michigan 1-800-678-9595
Classified Ad Department ..... (313) 445-6085
Display Ad Department ..... (313) 446-6030
Editorial & Business Offices . (313) 446-6000

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in May at 1400 Woodbridge, Detroit, MI 48207-3187. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 965 E. Jefferson, Detroit, MI 48207.

corrections

■ The principal/owner of a top 10 Mercedes-Benz franchise is listed incorrectly on Page 118 of the Dealer Section of the 1992 *Automotive News* Market Data Book. John C. Brockway owns Bill Ussery Motors Inc. in Coral Gables, Fla.

■ A story on Page 16 of the June 15 issue misspelled the last name of Jeff Leestma, a spokesman for Honda North America Inc.

■ Ford Motor Co. has recalled 1986-89 Ford Thunderbird and Mercury Cougars with the 3.8-liter V-6 engine to replace the exhaust system catalyst. A Page 2 story in the June 15 issue misstated the model year.

Mini Mercedes

HANS G. LEHMANN/HIDDEN IMAGE

Contemplating a car smaller than the 190, Mercedes-Benz is reportedly experimenting with a hatchback. It would be based on the next-generation 190, expected for the 1993 model year. The car would have room for four passengers and be powered by a four-cylinder engine.

latenews

CONTINUED *from* PAGE 1

pay £100,000 ($185,000) in costs, and was warned that his sentence would be increased to four years in prison if he failed to pay the full fine.

— Edward Lapham

IRS will issue contract rules

The Internal Revenue Service is about to issue new accounting rules for car dealers involving the sale of extended service contracts, says the National Automobile Dealers Association.

Pending those new rules, the IRS ruled Thursday that dealers don't have to submit a Form 3115 by the June 29 deadline unless they are already being audited. The form is used to announce a change in accounting methods, and dealers had been advised to file it to protect themselves from an audit.

"We should have a revenue procedure from the Department of Treasury very shortly," said Peter Kitzmiller, NADA attorney.

He said the expected announcement will establish procedures on how dealers should start accounting for extended service contracts in which they are the principal, and how the IRS will treat dealers who are being audited.

— Charles M. Thomas

Jaguar ad derby cut to 5 firms

Jaguar Cars has chosen five finalists for its $15 million to $20 million advertising account. They include Ogilvy & Mather, the agency for parent Ford Motor Co.

Others in the running are the incumbent, Geer, DuBois of New York; Carmichael Lynch of Minneapolis; former Mercedes-Benz agency McCaffrey & McCall of New York; and Margeotes Fertitta & Weiss of New York.

Agency executives close to the review say Ford is keeping a close eye on the proceedings. Ford and Jaguar declined to comment on the review.

A decision is expected by early August.

— Crain News Service

Festiva prices to rise 1.9%

Prices for the 1993 Ford Festiva will rise about 1.9 percent, or $156, over comparable 1992 models.

Prices will start at $7,097 for the Festiva L and $8,136 for the Festiva GL.

— Kathy Jackson

S. Carolina still talking to BMW

Negotiations on a BMW assembly plant went down to the wire last week between BMW AG and South Carolina officials.

Gov. Carroll Campbell and his industrial recruiters are offering a $150 million incentive package of tax breaks and infrastructure improvements.

The State Ports Authority last Wednesday sweetened the pot by offering $5 million in improvements to the port of Charleston, S.C.

Options on land being held for the proposed plant, near the Greenville-Spartanburg Airport, begin to expire this week, The Associated Press said. The options could be renewed, but the deadline lent extra urgency to the negotiations.

BMW's management board could choose the South Carolina site or one proposed by Nebraska. The group meets tomorrow. Its decision would have to be approved by the BMW supervisory board, which is to meet in two weeks.

The plant is expected to begin by assembling complete-knockdown kits from Germany.

— Jim Henry and Diana Kurylko

Personal videos for Buick stores

Two Buick ad groups are delivering personalized videocassette message about specific dealerships to prospects who call a toll-free number.

Each video includes a two-minute talk by the dealer and 18 minutes of product news.

The program was developed by TechnoFiles and Sherwood Marketing Associates in Trevose, Pa. They plan to offer the program to other Buick and non-Buick dealer groups.

The Buick Dealer Association of Philadelphia, South Jersey & Delaware and the Buick Dealer Association of Lehigh Valley in Pennsylvania began advertising the offer June 18. Dealers pay a licensing fee plus $15 for each video delivered with their message.

— Crain News Service

Opel dealers get Trans Sport

FRANKFURT — Adam Opel AG, the German subsidiary of General Motors, said last week its 1,300 dealers in Germany will begin selling the U.S.-built Pontiac Trans Sport minivan in January.

The move gives Opel dealers an entry in Europe's fastest growing segment two years before Volkswagen AG and Ford of Europe can bring their jointly developed vehicle to market.

About 1,700 of the minivans have been sold in Germany since late 1990, but through GM dealers. GM said it will allocate 6,000 Trans Sports to Opel dealers next year.

— Diana Kurylko

GM to correct fuse data goof

General Motors is recalling 1992 Oldsmobile Custom Cruisers, Buick Roadmaster sedans and wagons and Chevrolet Caprice sedans and wagons because of incorrect fuse information in owner's manuals and on the fuse box.

GM is sending owners of those models an owner's manual insert and a new fuse box label indicating the proper size and location of replacement fuses.

GM did not say how many vehicles are being recalled, but a spokesman said 136 have experienced the problem.

GM said the proper fuses were installed in the cars, but insufficient circuit protection or repeated blown fuses can result if replacement fuses are installed based on the incorrect information.

— Phil Frame

briefly

'Other' Johnson to leave Japan

Richard Johnson, 59, is retiring from **General Motors** after four years as president of GM Japan. J. Michael Durrie, who has been watching over the U.S. fleet business, will replace him July 1. During Johnson's tenure, GM Japan was born; sales rose; the parts business grew; and GM introduced aggressive advertising. Johnson is not related to the other Richard Johnson in Japan, the *Automotive News* reporter.

MORE DROP TOPS — Look for **Mazda** to chop the top on some 1994 MX-6 sport coupes. That could mean the **Ford** Probe, its sister vehicle from the Flat Rock, Mich., plant, could get a ragtop as well. Mazda produces one convertible, the Miata; Ford has the Mustang and the **Mercury** Capri.

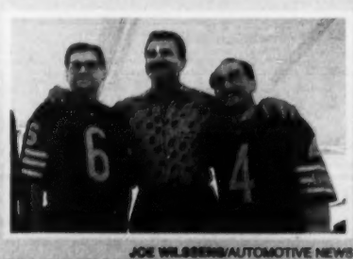
UAW HAND SIGNALS — More than 500 UAW pickets marched in San Diego last week to show solidarity with Caterpillar factory workers who are working without a contract. Union Secretary-Treasurer Bill Casstevens raised his thumb and said, "This thumb's-up sign is for the Caterpillar workers. But it's not the finger of choice for Caterpillar management."

YOUNG IDEAS — Summer design students have two cool classes. In Michigan, the steel industry is financing a Center for Creative Studies project to design three compressed-natural-gas vehicles and their fuel tanks. At California's Art Center College of Design, 22 students will design a **Chevrolet** Corvette for 2010: either a traditional sports car, a super car with NASA-style technology or a New World Corvette that is environmentally responsible.

FLACK HUNT — **GM** expects to name a PR boss for North American Operations around July 1. Three candidates: Bruce MacDonald (Saturn), Bill O'Neill (Cadillac) or Jim Williams (B-O-C).

GOING AGAIN — Sten Helling, who was once at **AB Volvo** and twice at **Saab Cars USA**, has been spotted at **Mercedes-Benz of North America's** office in Montvale, N.J. Helling, who quit Saab as president last September when the company moved from Connecticut to Atlanta, is expected to be working with Mercedes dealers soon.

DON'T TALK LIKE THAT — Chicago Bears Coach Mike Ditka reps for Chicagoland **Toyota** dealers, so when new bosses came by he offered presents and smooth talk. Here's the story, if not the script: Gives jersey No. 4 to Shinji Sakai, new president of **Toyota Motor Sales U.S.A.** Catches Sakai's mock pass. Says: "We have a quarterback now, so we have to have a kicker." Gives jersey No. 6 to Executive Vice President Yale Gieszl. Thinks he might have insulted the guy. Says: "A kicker means he's all right."



JOE WILOSZEWSKI/AUTOMOTIVE NEWS

Kicker Yale Gieszl (6), receiver Mike Ditka and passer Shinji Sakai (4) open a Toyota parts warehouse near Chicago.

Chrysler, Ford leaner than Japan, study finds

LINDSAY CHAPPELL
Staff Reporter

A new industry study says Ford Motor Co. and Chrysler Corp. are building cars more efficiently than their super-efficient Japanese arch-rivals.

Despite years of hand-wringing over U.S. disadvantages in manufacturing costs, Ford and Chrysler demonstrate lower direct production costs than the major Japanese carmakers, according to the study. The Big 3 together, including the much higher-cost General Motors, have an average lower cost than the Japanese average, it said.

The study was published last week by Washington-based Economic Strategy Institute, an economic and trade policy group founded by former U.S. trade negotiator Clyde Prestowitz Jr., a critic of Japanese trade policies.

The study notes that comparative manufacturing costs have changed dramatically since a similar study was done in 1982. Study co-author Paul Willen attributed the change in large part to the dollar's devaluation against the yen in the mid-1980s.

The study points out that U.S. carmakers are still weighed down by factors outside the factory, including health-care costs, pension expenses, factory under-utilization and higher-cost capital.

The study estimates that Ford's direct manufacturing costs total $5,415 per small car, and Chrysler's $5,841.

Manufacturing costs at Toyota Motor Corp., the most efficient Japanese carmaker, were $6,216 per small car, the study said.

GM's total production costs weighed in at $7,205 per small car, nearly $1,800 more than Ford's and $379 more than the highest Japanese maker, Mazda Motor Corp.

In the 1982 study, the Japanese average per small car cost was estimated at $4,363, compared to $7,285 for the Big 3.

Labor costs remain higher at the U.S. companies because of greater employee benefits. The Big 3 pay workers an average of $13.22 per hour in benefits. The Japanese automakers pay an average $4.06 per hour in benefits, the study said.

The study concludes that the U.S. automakers continue to lag behind the Japanese in the number of working hours they require to assemble a single car.

The average U.S. company takes 64 man-hours to build a vehicle, including some in-house parts manufacturing, while the average Japanese company takes 42, the study reports.

The study says Washington policy, as much as Detroit managment muscle, is required to give U.S. automakers a fair fight with the Japanese. It concludes that the Big 3 have a lingering $400-per-car cost disadvantage due to higher U.S. health-care expenses. It suggests that federal health-care assistance, derived from a "modest excise tax" on auto sales, would help close that gap.

The institute receives funding from about 20 corporations, including Ford and Chrysler.

The study also demonstrates that U.S. carmakers enjoy an average $735 advantage in parts and material costs over the Japanese. U.S. component costs average $3,389 per car, it said, while Japanese costs average $4,124 per car.

Willen said the figures indicate that the U.S. automakers' advantage in direct manufacturing efficiency is diminished by corporate overhead and societal factors beyond the automakers' control.

PRODUCTION COSTS PER UNIT

In addition to labor and parts, total cost includes other manufacturing costs and non-manufacturing costs.

Company	Worker hours	Labor costs	Purchased parts	Total cost
Ford	50	$1,629	$3,066	$5,415
Chrysler	60	1,872	3,150	5,841
Toyota	36	928	4,124	6,216
Honda	40	1,031	4,346	6,618
Nissan	43	1,118	4,346	6,782
Mazda	45	1,161	4,346	6,826
GM	75	2,386	3,677	7,205

Source: Economic Strategy Institute

Toyota hit for lack of minority dealers

MAX GATES
Staff Reporter

WASHINGTON — Pledging to call every automaker to account, a Congressional committee on fair employment took Toyota Motor Sales U.S.A. Inc. to task last week for its low number of minority dealers.

The owners of Toyota's nearly 1,200 U.S. dealerships include only 11 blacks and 12 Hispanics.

One of the company's regional distributors, the independent Southeast Toyota Distributors Inc. based in Florida, had no black dealers in its 25-year history until April — after the company had been summoned to testify before Congress, according to testimony before the House Subcommittee on Housing and Employment.

"Congress and the American people can expect something more from Toyota, the automaker with the greatest clout, the most profitable and the industry leader in the 1980s and still today," said Rep. Tom Lantos, D-Calif., who has been spearheading investigations into the minority hiring practices and civil rights records of Japanese companies in America.

Rep. John Conyers, D-Mich., said he wants the subcommittee to hear testimony from officials of all domestic and foreign automakers with U.S. dealerships.

Toyota was first because of its prominence and because Southeast Toyota's business practices have been the subject of lawsuits and accusations of racial bias.

Officials of Toyota's U.S. sales arm said that nationwide 2.3 percent of Toyota dealers are minorities. That is better than General Motors and equal to Chrysler Corp.'s record of minority dealers, Toyota officials said.

The head of a black dealers association acknowledged that both Toyota Motor Sales and Southeast Toyota have established minority dealer development programs in recent months. They are the only foreign car companies with such programs, said Robert Hill, executive director of the National Association of Minority Automobile Dealers.

Other witnesses at a seven-hour hearing Thursday recounted racist remarks by Southeast officials about blacks, Jews and Asians. The witnesses, some of whom are suing the distributor, said the company had an unwritten policy to deny dealerships to minorities.

Tony Stromberg, Southeast Toyota's director of market representation, denied those allegations. Stromberg said few dealerships were available during the 1980s, and most were traded in private deals in which Southeast could not legally interfere.

But black businessmen told the committee they believed Southeast Toyota officials had blocked their efforts to buy dealerships.

Chandler Lee, a black man who is now president of a Winston-Salem, N.C., dealership, said he had a verbal agreement with the previous owner to buy a Southern Pines, N.C., multi-franchise dealership in 1986, but learned three days later that the dealership had been sold to another buyer.

Lee said he appealed to GM officials, who exercised their right of first refusal in the transfer of the GM franchises, granting the dealership's GM franchises to Lee. (He subsequently sold that dealership.) But Southeast Toyota officials refused to overturn the sale.

Lee said he then appealed to Toyota Motor Sales officials, but never heard from them.

Toyota officials testified that they couldn't force Southeast to award dealerships to blacks. "We don't have the same right with Southeast as we do with other wholly owned regional distributorships," said Jim Olson, Toyota's vice president for external affairs.

Lotus vows to stay in U.S.

British maker plans new Esprit models

DIANA T. KURYLKO
Staff Reporter

Despite the bitter pill of having to cancel the Elan, Lotus Cars Ltd. says it will not quit the United States. It plans to introduce new versions of the $87,000 Esprit Turbo SE, company executives said last week.

But the new products cannot be launched until Lotus recovers from its expensive mistake with the Elan and returns to profitability, the company said. The front-wheel-drive, two-seat convertible, which went into production in January 1990, cost more than $60 million to develop.

Lotus, a unit of Group Lotus Ltd., which is owned by General Motors, said that in the current economic climate it had little choice but to kill the $40,000 Elan.

"The extraordinary combination of adverse economic factors hitting our segment in key markets has affected profitability of (the Elan) severely," Managing Director Adrian Palmer said. "We have come to the inevitable conclusion that we must end production of the Elan."

The Elan business plan, on which pricing was based, called for producing 3,000 annually. Amid a sharp fall in worldwide demand for luxury sports cars and exotics, however, Lotus produced only 2,238 last year.

Lotus had targeted U.S. sales at 600 a year, but has sold only about 300 since the Elan's U.S. introduction in January 1991. Last week a spokesman said that 400 Elans are in dealer inventories worldwide, and another 100 are on the production line in Hethel, England.

Palmer, who succeeded Michael Kimberley as managing director last October, said in a letter to dealers that the decision to drop Elan was "purely market driven" and was not a commentary on Lotus' commitment to the U.S. market.

"Unfortunately, at these volumes, we cannot manufacture the Elan and deliver it to you at a price that makes it a profitable element of our business," he wrote.

The decision means that Lotus dealers will have only the more expensive Esprit Turbo SE to sell for the next several years. About 150 were sold in the United States last year, Lotus said. The SE is a 3-year-old version of the Esprit, introduced in 1975.

A company spokesman said the Esprit line will be broadened in the next few years, giving dealers more models to sell.

"We want to look to diversify the Esprit upward and downward from where it is now positioned," the spokesman said.

In the meantime, Lotus will stay afloat with revenue from its profitable engineering arm. The engineering and consultancy unit earned more than $50 million last year, Lotus said.

U.S. headquarters remain intact

JIM HENRY
Staff Reporter

Lotus Cars USA plans to keep its suburban Atlanta headquarters intact, even though its parent company killed the Elan two-seater last week.

The move leaves Lotus Cars USA and its 60 dealers with only one model, the $87,000 Esprit Turbo SE, which now averages about 10 sales a month in the United States.

The U.S. subsidiary trimmed its already small work force to only 16 people last fall. No further cuts are planned for Lotus Cars USA, said Arnold Johnson, vice president of technical service. "I wouldn't say that's a skeleton crew, but we couldn't operate with too many less."

Rumors suggest that Lotus Cars USA could be somehow combined with its new neighbor and General Motors cousin, Saab Cars USA. Johnson said Saab and Lotus are "exploring ways to save each other money" in America, but he said they don't plan to move in together.

Lotus built 545 U.S.-spec Elans.

GM owns Group Lotus in Britain and 50 percent of Saab Automobiles AB in Sweden. This spring, Saab Cars USA moved to Norcross, Ga., only a few miles from Lotus Cars USA, in Lawrenceville.

Johnson said there are about 135 unsold Elans in the United States.

He said Lotus built 545 U.S.-specification Elans before the car was killed. Lotus Cars USA sold about 150 Esprit Turbos last year, and 55 so far in 1992.

Two manufacturing execs retiring from Chrysler

MARY CONNELLY
Staff Reporter

Two manufacturing vice presidents at Chrysler Corp. will step down after the company's introduction of its pivotal 1993 mid-sized sedans this fall.

Richard Acosta, vice president of car and truck assembly operations, and Erick Reickert, vice president of powertrain operations, will take special early retirement effective Dec. 31, 1992.

Acosta: joined in 1984

Reickert: to be a consultant

Acosta, 60, joined Chrysler in 1984 after 36 years in staff and plant manufacturing positions with General Motors. Reickert, 56, joined Chrysler in 1984 as director of advance product planning. Reickert plans to establish an automotive consulting company, Chrysler said.

Earlier this month Chrysler announced the planned early retirement of Anthony St. John, 55, vice president of human resources. He retires Aug. 31.

Chrysler has not said how or if it will replace the retiring manufacturing executives. Both men report to Dennis Pawley, who became vice president of manufacturing in April 1991 following the abrupt resignation of Richard Dauch, executive vice president of manufacturing.

The departure of the two manufacturing executives will come after Chrysler launches its crucial trio of mid-sized sedans: the Dodge Intrepid, Eagle Vision and Chrysler Concorde. Production begins this month.

The automaker continues to reduce both its executive corps and salaried work force. The company plans to reduce its bargaining unit and non-bargaining unit salaried headcount by 450 people during calendar 1992. So far, 350 people have accepted early retirement packages offered to those age 55 by Dec. 31 with seven years of service. Chrysler employed 27,000 salaried workers on Dec. 31, 1991, a reduction of 1,300 from a year earlier.

trucks

in brief

TRUCKS

Navistar deal with Steyr

CHICAGO — Navistar International Transportation Corp. signed an agreement to jointly explore worldwide opportunities with Steyr Motorentechnik GmbH using Steyr's diesel engine. Steyr is a vehicle components manufacturer based in Vienna, Austria.

The compact 450-pound diesel engine produces 130 to 180 horsepower. It dovetails with Navistar's own engine line, including the 7.3-liter diesel that makes 150 to 250 hp, which is used in light trucks and vans.

Daniel Ustian, Navistar group vice president and general manager of the engine and foundry group, said the Steyr engine's size and power could make it suitable for large cars and light trucks.

If the two companies establish the engine's potential, they could initially produce more than 100,000 annually for North American and European markets after 1995, according to Navistar.

Caterpillar forms Russian deal

MOSEVILLE, Ill. — Caterpillar Inc. has formed an agreement with Zil, a major Russian medium-truck producer, to explore an industrial and marketing arrangement for diesel truck engines and fuel systems.

Zil produces about 200,000 trucks a year, most with gasoline engines. The Russian manufacturer will soon begin producing 75,000 newly designed Zil trucks and diesel engines.

Metro groups plan trucking parley

WASHINGTON — Trucking and the key role it will play in planning for future transportation systems will be the prime topic at a forum for members of metropolitan planning organizations. The program is scheduled Oct. 28-30 in New Orleans.

Sponsored by the American Trucking Associations, the National Association of Regional Councils and the Federal Highway Administration, the forum will include 150 invited representatives from metropolitan planning organizations.

Under the Intermodal Surface Transportation Efficiency Act of 1991, the planning organizations will make major transportation decisions. The groups have a hand in spending about $151 billion in federal transportation funds through 1997.

Boston show plans '93 savings

BOSTON — The New England Truck Show, slated for May 6-8, 1993, at the Bayside Expo Center, will continue the free delivery policy implemented for exhibitors this year.

To hold down costs, each exhibitor's display materials will be unloaded, carried to a booth, picked up and reloaded at the close of the show free of charge.

Navistar to increase '93 list prices

Hikes should range up to 2.5 percent

JOSEPH BOHN
Truck Editor

Navistar International Transportation will increase list prices on its 1993-model medium and heavy trucks by about 1.5 to 2.5 percent beginning in July.

The industry is generally confident of stronger 1993-model transactions, or "street prices," at least on Class 8 models because of the improving economy. Medium-duty sales have not recovered as quickly as Class 8 sales.

"As the economy turns around, manufacturers can get a little stingier with concessions and demand a stronger deal," said Bob Maines, sales manager for Duthler Ford in Grand Rapids, Mich.

The fleet-oriented dealership does a large sales volume.

Dealers are expecting Ford Motor Co. to raise prices on medium and heavy trucks by 3 to 5 percent.

John Merrifield, Ford Heavy Truck sales manager, had no comment on the reported figures.

He said that providing a precise average of the planned increases was difficult because of new Cummins diesel engines available in Ford medium duties. The engines have created "tremendous price fluctuations" among models, Merrifield said.

He notified dealers that they will be protected against any 1993 model price increases on customer orders placed by July 15.

The price protection applies to trucks ranging from the F-600 up through Ford's 9000 series.

Merrifield said the move was designed to maintain Ford's momentum. The division has been on the upswing in Class 8 sales during calendar 1992.

Ford's 1993 medium duties will feature new Cummins 5.9-liter and 8.3-liter engines; a 19,000-pound rear axle for the Cargo line; air brakes for some of the Low Profile F-600 and 700 series; and anti-lock brakes on the L-series tractors.

Ford also is dropping manual slack adjusters as regular production options and is reviving liquified petroleum gas, or LPG, as an option on trucks with gas engines.

The 1993 Navistar 4000 series will offer anti-lock brakes effective July 1. They are already available on the 8000 series.

As of Jan. 1, 1993, Navistar will replace chlorofluorocarbon in medium and heavy truck air conditioners with environmentally friendly refrigerant HFC-134a.

A smokeless DT-466 210-horsepower diesel becomes available in September, without costly electronic controls or a catalyst.

None of the trucks equipped with International or Spicer manual transmissions and/or rear axles will require 6,000 mile gear lubricant drainage by July.

Reduced maintenance costs result from special magnets in the transmission cases and rear-axle bowls which collect any break-in metal filings or debris in the gear lubricants.

May truck sales unable to measure up to busy '91

JOSEPH BOHN
Truck Editor

Class 8 truck orders totaled about 12,000 units in May, down slightly from May 1991's level of 12,559.

May was last year's best month by far and orders then were buoyed to some degree by prebuying to beat announced June price increases.

The slight decline this May was largely due to an unsustainably high order level in April when orders reached 15,203, said Rothschild Inc., a New York investment firm.

Preliminary estimates from Rothschild suggest June orders of about 11,000 units, up about 90 percent from 5,786 in June 1991.

The seasonally adjusted annual order rates for May and June are expected to be in the 140,000 to 150,000 unit range. That's well above last year's average of 95,000 units, Rothschild said.

The investment firm continues to anticipate North American factory sales for calendar 1992 of approximately 120,000 units, up substantially from 106,000 in 1991. Sales for 1993 are expected to exceed 160,000 units.

Sales in all medium and heavy truck segments except Class 7 were up in May, the Motor Vehicle Manufacturers Association said.

Class 8 sales in May totaled 9,600 units, up 16.4 percent from a year earlier. The segment is up 8.1 percent for the first five months of calendar 1992, according to MVMA.

May Class 7 sales totaled 5,206 units, off 21.9 percent. The segment's five-month total of 28,203 was off 12.8 percent from a year ago, according to MVMA.

Freightliner has moved solidly into first place in Class 8 sales. Freightliner retailed 9,991 Class 8 models during the first five months of 1992, compared with 8,694 for Navistar.

Some Navistar dealers believe the sales race is over and have expressed their relief. They say the company will be freer to concentrate on profits, which is considered more important over the long term.

Navistar and Freightliner battled fiercely for first place last year. Navistar won, but the fray drove both to heavy price-cutting.

Freightliner Corp.'s FLD 120 coincidently came out as the top choice of conventional long-haul, over-the-road truckers in an Associates Commercial Corp./*Road King* magazine survey of trucker opinion. The group's top seven picks were all conventionals.

The second most popular single truck in the survey was Peterbilt's conventional; Kenworth's was third.

Drivers getting older, paid more

RICHTON PARK, Ill. — The average truck driver is getting older and his income is improving. So is that of owner-operators, according to Associates Commercial Corp./*Road King* magazine's 12th annual survey of trucker opinions.

Some 5,682 truckers responded to the questionaire.

The average income of owner-operators reached $24,110 in 1991, up about $3,000 from a year earlier. Company drivers' incomes rose about $2,000 to $27,050.

Owner-operators made up 35.2 percent of the over-the-road truckers responding to the survey.

The survey also showed that about 52.1 percent of company drivers would consider buying a rig and driving on their own.

Younger adults are not entering the profession in large numbers. Last year's survey showed that the average truck driver's age increased 2.25 years.

The average age of the truckers responding to this year's survey is 42. Only 5.1 percent of those responding were under 25.

MAY 1992 TRUCK SALES BY GVW

	May 1992	May 1991	5 mos., 1992	5 mos., 1991
Class 1-3	123,834	109,639	548,053	469,391
Class 4	1,497	1,720	6,407	8,472
Class 6	760	412	2,361	1,990
Class 7	1,622	1,491	8,206	8,363
Class 8	1,263	864	5,115	3,340
FORD	**128,976**	**114,126**	**570,142**	**491,556**
Class 6	28	0	105	0
Class 7	109	0	492	0
Class 8	2,101	2,019	9,991	9,237
FREIGHTLINER	**2,238**	**2,019**	**10,588**	**9,237**
Class 1-3	104,051	104,430	442,350	434,177
Class 4	301	118	1,292	556
Class 5	10	5	37	51
Class 6	171	174	723	1,368
Class 7	459	532	2,085	2,580
CHEVROLET	**104,992**	**105,259**	**446,487**	**438,732**
Class 1-3	28,990	27,214	129,439	112,397
Class 4	164	104	670	388
Class 5	36	24	171	162
Class 6	329	239	6,176	1,663
Class 7	1,053	1,638	4,831	6,790
GMC	**30,572**	**29,219**	**141,287**	**121,400**
Class 7	17	27	68	92
Class 8	1,010	812	5,011	4,418
KENWORTH	**1,027**	**839**	**5,079**	**4,510**
Class 6	42	52	176	220
Class 7	95	70	365	296
Class 8	1,050	1,097	4,225	4,588
MACK	**1,187**	**1,219**	**4,766**	**5,104**
Class 6	47	32	273	133
Class 7	8	95	90	290
MERCEDES-BENZ	**55**	**127**	**363**	**423**
Class 4	0	6	0	13
Class 5	0	4	6	20
Class 6	442	694	2,525	3,109
Class 7	1,651	2,452	11,001	12,876
Class 8	1,931	1,360	8,694	10,090
NAVISTAR	**4,024**	**4,516**	**22,226**	**26,108**
Class 7	21	48	72	112
Class 8	943	810	4,228	3,743
PETERBILT	**964**	**858**	**4,300**	**3,855**
Class 7	60	153	336	299
Class 8	1,205	1,187	5,660	4,160
VOLVO/GM HEAVY	**1,265**	**1,340**	**5,996**	**4,459**
Class 1-3	4	20	7	123
Class 4	26	6	121	8
Class 5	58	21	191	162
Class 6	47	52	242	252
Class 7	48	91	323	267
HINO	**183**	**190**	**884**	**812**
Class 1-3	80	53	387	217
Class 5	57	66	303	306
Class 6	85	47	336	151
Class 7	25	38	134	155
NISSAN DIESEL	**247**	**204**	**1,160**	**829**
Class 1-3	453	448	2,469	2,857
Class 4	235	43	883	354
Class 5	196	135	464	454
Class 6	293	81	899	358
Class 7	19	16	99	88
ISUZU TRUCK	**1,196**	**723**	**4,814**	**4,111**
Class 1-3	144	102	749	704
Class 5	77	39	305	252
Class 6	53	15	258	150
Class 7	19	14	101	152
MITSUBISHI FUSO	**293**	**170**	**1,413**	**1,258**
Class 1-3	0	151	0	755
Class 4	0	49	0	245
Class 5	0	25	0	125
Class 6	0	16	0	80
IVECO TRUCKS*	**0**	**241**	**0**	**1,205**
WESTERN STAR Class 8	**54**	**56**	**269**	**288**
Class 1-3	161,878	144,229	711,544	633,291
Class 6, 7, 8	43	41	116	190
OTHER TRUCKS	**161,921**	**144,270**	**711,660**	**633,481**
CLASS 1-3	**419,434**	**386,286**	**1,834,998**	**1,653,912**
CLASS 4	**2,223**	**2,046**	**9,373**	**10,036**
CLASS 5	**434**	**319**	**1,477**	**1,532**
CLASS 6	**2,297**	**1,814**	**14,074**	**9,474**
CLASS 7	**5,206**	**6,665**	**28,203**	**32,368**
CLASS 8	**9,600**	**8,246**	**43,309**	**40,054**
TOTAL TRUCKS	**439,194**	**405,376**	**1,931,434**	**1,747,368**

*1991 figures are Automotive News estimates. Source: Automotive News Data Center and MVMA

For Japanese makers in U.S., bigger is better

RICHARD JOHNSON
Staff Reporter

TOKYO — The earnings reports released by Japanese carmakers late last month included both good news and bad news about their U.S. operations.

Nissan Motor Co., the industry's No. 2 producer after Toyota Motor Corp., jolted many analysts here when it reported that U.S. operations boosted its earnings in the fiscal year ended March 31.

But Nissan's affiliate, Fuji Heavy Industries Ltd., said it continues to suffer at the group level because of continuing losses in the United States.

"Judging from their reports, the U.S. profit levels (of Japanese companies) are very low — including the sales operations," said Hitoshi Nishiyama, auto industry analyst at Nomura Research Institute in Tokyo.

But while smaller Japanese carmakers like Fuji and Isuzu Motors Ltd. are struggling to get relatively new transplants into the black, bigger companies with established manufacturing operations are faring better, Nishiyama said.

"At least at Honda, Nissan and Toyota the profit situation (in the United States) is not so bad," he said.

Nissan Vice President Atsushi Muramatsu attributed the company's unexpected 18 percent rise in group pre-tax profit, to 85.7 billion yen ($675 million) in the fiscal year, to improved performance at overseas subsidiaries, especially in Europe and the United States.

At the same time, Nissan said parent company net, a measure of the profitability of Japanese market and export operations, slid 30.7 percent.

Muramatsu, who himself called the company's U.S. financial performance "surprising," attributed the gain to a successful effort to cut costs at the automaker's Smyrna, Tenn., assembly plant. The company also said that selling costs were reduced by lowering incentives and terminating a three-year program offering high-risk auto loans.

Still, one analyst was left incredulous by Nissan's report.

"I can't understand what happened at Nissan (in the United States)," said Ben Moyer, who follows the industry for Merrill-Lynch in Tokyo.

"I haven't come to grips with it. It seems their profitability has improved in the United States, but it also seems to have bucked reality."

Better utilization of local capacity would help the bottom line — but not if extra output ended up in dealer inventories, Moyer said.

"I guess the profits were drained from '93 into '92," he said.

Fuji, meanwhile, attributed its consolidated net loss of 21.6 billion yen (about $170 million) to underperformance at Subaru-Isuzu Automotive Inc., its U.S. manufacturing joint venture in Lafayette, Ind. It also cited poor results at Subaru of America Inc., its U.S. sales arm.

Fuji aims to put the manufacturing operation into the black this year, but analysts say the marketing unit will continue to struggle.

Honda Motor Co. said its improved group operating profit last year stemmed from higher revenue and improved economies of scale resulting from higher North American production.

But Takeshi Sumita, of Honda's finance division, said the U.S. sales arm suffered from higher marketing costs, especially during the Gulf War-related slowdown.

"But we were able to raise the efficiency and profitability of our (North American) production subsidiary so those negative and positive factors offset each other," he said.

Meanwhile, Mitsubishi Motors said that the cost of purchasing 50 percent of the Diamond-Star Motors Corp. plant in Normal, Ill. from Chrysler Corp. had no impact on the company's consolidated balance sheet.

Mitsubishi reported a gain in net profit for the fiscal year — although its operating profit declined.

Like the others, Mitsubishi did not detail financial results for U.S. operations.

But Chairman Toyoo Tate said recently that Diamond-Star was profitable during the 1991 calendar year.

Other companies that issued fiscal year-end financial results last month — Mazda Motor Corp., Suzuki Motor Corp. and Daihatsu Motor Co. — would not discuss U.S. results.

Toyota's financial year ends on June 30, and it is expected to report in August. AN

CUTBACK

Longer cycles more likely now

continued from PAGE 1

automakers.

The move to longer product cycles is a government and labor union goal aimed at improving the quality of life of Japanese plant workers. The Japanese industry's vaunted four-year product cycle, the shortest in the world, translates into long overtime and high levels of stress for production workers and managers alike.

"The Japanese companies have two options," said Hitoshi Nishiyama, auto industry specialist at Nomura Research Institute in Tokyo. "One is to increase their employees' welfare, and the other is to remain internationally competitive."

But when all is said and done, Nishiyama suggested, "Competitiveness may be the priority."

Until now, the Japanese have never had to cope with a protracted, steep decline in worldwide demand. They have steadily increased capacity, especially in the last three years, as sales soared at home and abroad. Indeed, between 1991 and 1993 they will have added about two million units of new capacity in Japan, the United States and Europe.

According to Nomura, the nine Japanese makers spent a combined $5.8 billion on new plants and equipment in the fiscal year ended March 31, 1985. Including spending by parts suppliers, the industry's investment had nearly trebled, to $16.5 billion, in the fiscal year ended March 31, 1991.

The total fell to an estimated $15.7 billion in the year ending this past March, and will slip to about $14.9 billion in the current fiscal year, Nomura projects.

Nomura expects the downward trend to continue to $12.6 billion in 1995.

Many analysts say the cutback is natural, given the industry's heavy spending in recent years on new capacity in Japan, the United States and Europe.

"Many of the projects are complete, so you would expect capital expenditures to trail off," said Stephen Usher of Kleinwort Benson International in Tokyo. "I don't think it means a deterioration of competitiveness in the short to medium-term."

But Usher cautions that the Japanese, in their new fiscal caution, must not give short shrift to the new green and safety technology that will become essential late in the decade.

"If what we are seeing is two or three years of (spending) consolidation to be followed by another increase in capital spending by the industry, it is no problem," said Usher. "However if Japan remains complacent it will be a problem."

Masayuki Mochizuki of W.I. Carr (Overseas) in Tokyo also points out that Japanese makers cannot afford to slash investment in automation when the government is pressing for shorter work hours.

"They have to invest in rationalization," said Mochizuki.

Nomura's Nishiyama thinks auto executives here may no longer believe wholeheartedly that a parade of new products is the best global market strategy.

"Japanese auto management people seem to be changing their minds after seeing the lack of effect (of new-product blitzes) in cultivating world markets," he said. "All companies are aggressively trying to decrease variations of the same models. For example: a special version for women. We will see this kind of shrinkage over the next several years."

Nissan, for example, plans to cut product and component variations by 30 percent over the next two years. Toyota officials have said they have a similar objective.

"Everybody is doing it," said Mochizuki.

But other factors that reduced capital spending are likely to restrain the flow of new products coming out of Japan in the next few years.

Ben Moyer, of Merrill Lynch in Tokyo, said that Japanese carmakers will not need a lot of new models for the United States because new voluntary restraints have choked off growth prospects there.

"Even if they had the money what would be the advantage of investing in new product in Japan for exports?" asked Moyer. "But they don't have the money anyway."

While the rush of new products from Japan figures to slow, Usher said the Japanese will continue to spend heavily on new product development and technology.

"They are not going to go to zero," said Usher.

Analysts agree, for example, that the Japanese will not scrimp on their crucial luxury-car divisions. Earlier this year, Mazda Motor Corp. President Yoshihiro Wada said that while capital spending will be lower in the next two years, preparations for the Amati premium-car line remain on course.

Whatever their long-term impact, the spending reductions are likely to be more than a short-term phenomenon.

Toyota is said to be planning to spend about $3.15 billion annually for the next five years, down 20 percent from the previous five-year period, although a spokesman would not confirm the figures.

No. 2 Nissan reportedly has decided to slash capital spending by $770 million over the next three years, to about $5 billion.

Only one company, Fuji Heavy Industries Ltd., the maker of Subarus, is going against the grain of lower capital investment this year. Its capital spending will rise from $224 million to $296 million.

"That may be unavoidable," said Moyer. "These guys had cut back to the bare bones. They are also retooling for a new model."

Nissan's new capital spending budget includes $701 million for new products and technologies, $827 million for plant renovations and upgrading of production facilities, and $362 million on other expenses.

Last year, Nissan spent $677 million on new models and technologies. But in the prior year, ending in March 1991, the total was $1.07 billion.

Of Toyota's $3.8 billion capital budget for the fiscal year ending June 30, about half goes toward new technology and products. Toyota cut its budget from a planned $3.94 billion after the fiscal year began.

Toyota's capital spending for the 1992 calendar year is $3.46 billion, down from $4.5 billion in calendar 1991. AN

Era of cheap money is over in Japan

JAMES R. CRATE
International Editor

Clear as a muzzle flash in the night, Toyota Motor Corp. signaled to world credit markets last month that the era of cheap money in Japan is over.

Low-cost money has been the rocket fuel behind the rapid expansion of Japan's industrial base in the 1980s, and has provided the country's carmakers with an enormous competitive edge over their global rivals.

Where a U.S. automaker in 1987 might have had to pay 10 percent on a loan to expand capacity or design a new model, for example, Toyota was able to raise money at below 2 percent.

Toyota, Japan's biggest vehicle maker, raised $1 billion in the Eurobond market late last month to redeem $800 million in equity-linked "warrant" bonds that fall due July 22.

The company will pay an interest rate of about 6.78 percent on the bond, which is about the same as any other prime corporate borrower — Japanese or not — pays these days.

In stark contrast, the five-year-old issue Toyota redeemed paid 1.14 percent.

The automaker has another $1.5 billion warrant issue maturing next year. That issue, which carries a 4 percent interest rate, likely will have be rolled over at 7 percent or more.

According to estimates by Japan's Sanwa Bank, Japanese companies will have to roll over $75 billion in equity-linked debt next year alone, while some $186 billion will fall due over the next four years.

Besides Toyota, other automakers facing a crunch in 1993 include Nissan Motor Co., with $1.535 billion falling due; Mitsubishi Motors Corp., with $803 million; and Honda Motor Co., $709 million.

Like the Toyota bond, all of the outstanding debt was meant to pay for itself.

Because each bond carried a warrant entitling the owner to buy shares in the issuing company at a fixed price, the proceeds from issuing new stock should have paid off the original bond.

But because prices on the Tokyo Stock Exchange have collapsed — they are off 56 percent from their 1989 high — virtually all of the debt is "under water," meaning that the exercise price on the warrant is far higher than the company's current stock price.

That means that the stock feature of the original warrant bond is worthless — and obliges issuers like Toyota and Nissan to find the cash at prevailing market rates to redeem the issue. AN

CAPITAL SPENDING PLANS IN JAPAN

Figures in billions of yen (current exchange rate: $1 = 127 yen). Figures are for Japanese parent companies, not including overseas subsidiaries.

	12 mos. ending 3-93*	12 mos. ending 3-92	Percent change
Toyota**	590.0	640.0	– 7.8
Nissan	240.0	270.9	–11.4
Mitsubishi	140.0	163.9	–14.6
Mazda	135.0	148.8	– 9.3
Honda	80.0	76.5	+ 4.6
Suzuki	50.0	53.1	– 5.8
Daihatsu	55.0	60.0	– 8.3
Fuji	37.6	28.5	+31.9
Isuzu***	57.0	71.8	–21.0
TOTAL	1,384.6	1,513.5	(– 8.5)

*Plan
**Figures for 1992 and 1991 calendar years; includes capital investment at subsidiary company plants in Hokkaido and Kyushu.
***Fiscal years ending 10-92, 10-91

Source: Nomura Research Institute

Aftermarket suppliers court makers

Efforts counter OEMs' encroachment on turf

LINDSAY CHAPPELL
Staff Reporter

Aftermarket suppliers are seeking more contracts to sell original-equipment parts to automakers.

According to some aftermarket parts makers, the push is a response to a counter-push by traditional original-equipment suppliers and the automakers, who want a larger share of the lucrative aftermarket parts business.

"It's obvious to us that the OE manufacturers want the aftermarket business," said Charles Schwartz Jr., chairman and chief executive officer of Champion Parts Inc. of Oakbrook, Ill., a supplier of remanufactured engines and parts. "They haven't made terrific progress in the market, but it's a big growth opportunity for them."

He cited Nippondenso, Hitachi, Robert Bosch Corp. and Lucas Automotive as examples of OE suppliers with strong positions in the replacement-parts market.

Replacement parts for imported vehicles are a fast-growing business. But replacement parts for Japanese imports are traditionally manufactured by the original-equipment suppliers. As a result, most of those parts are imported.

A University of Michigan study last year estimated that U.S. imports of Japanese parts could double to $22 billion a year by 1994, largely because of the growing number of used Japanese-badged cars on the road.

For other U.S. companies, like the one headed by Schwartz, cracking the Japanese OE market is the goal for the 1990s.

"If we can convince the OE manufacturer that there is a way to reduce overhead by dealing with independent suppliers, then there is some opportunity," Schwartz said.

Large U.S. original-equipment suppliers have been hustling for years for a piece of the Japanese transplant market. For many other suppliers, sales opportunities will begin at the ports.

In the past few years, Subaru of America Inc. has begun buying security systems, air conditioners, radios, filters, floor mats and luggage racks from U.S. suppliers for its imported cars. Doris LaMotte, sourcing manager at the company's import purchasing operation in Irvine, Calif., said that winning a contract from Subaru of America can help a firm supply Subaru's U.S. car factory, Subaru-Isuzu Automotive Inc.

LaMotte indicated that aftermarket suppliers could have an advantage over OE suppliers. Some OE suppliers are not able or willing to work with small volumes, short-term forecasts or retail packaging.

"We've had a real challenge with some of these suppliers because they are only used to supplying the factory line," she said.

Abex Friction Products, a brake lining maker based in Winchester, Va., has begun to crack the Japanese OE market. The firm's president, Al Indelicato, said the effort has been strenuous and financially unrewarding — so far. But he said Abex is now strategically positioned for a market that was previously closed to it.

He said the process was much more expensive than planned but has given the company new engineering skills, new process controls, new tooling and introductions to other customers.

Said Indelicato: "I'd call it a huge success."

Industry ups magazine ad buys

The automotive industry spent $102.1 million on magazine advertising in May 1992, 33.6 percent more than it spent in May 1991.

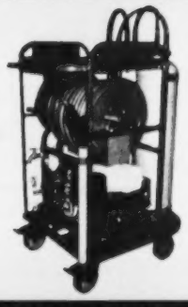
Magazine automotive advertising also was up for the year-to-date period.

For January through May 1992, the auto category totaled $422.8 million, a 14.2 percent increase over the year-ago period, according to the Publishers Information Bureau.

A spokeswoman for the bureau attributed the increase to increased confidence in the economy and new model introductions.

Total magazine ad revenue for May 1992 was $624.3 million, up 9.4 percent over May 1991.

CLEAN CARS SELL



TOMAHAWK SPOT FREE CAR WASH SYSTEMS
800-433-6712

ADS WITH IMPACT!

FREE PRESENTATION!
YOU'RE UNDER NO OBLIGATION TO BUY!
Tired of your same old ads?
Tired of Expensive Agencies?
Let ACTION ADVERTISING NETWORK, INC. show you what your ads could look like.
Call or Fax us your ad information and we'll show you a new layout.
ACTION ADVERTISING NETWORK, INCORPORATED
CALL 1-800 TO ACTION
1-800 (862-2846)
15 Collegeview Ave, Poughkeepsie, NY 12603
FAX (914) 454-0539

HOLE-IN-ONE INSURANCE
$15,000
Low as $210.
S&P AAA Carrier.
TOURNAMENT GOLF ASSOC. CALIFORNIA 1-800-426-3468
800-HOLE-IN-ONE

Mercedes recalls 400E to repair plastic line

MONTVALE, N.J. — Mercedes-Benz of North America is recalling 805 of its 1992-model 400E sedans equipped with ASR traction control to repair a hydraulic line.

Mercedes said the plastic line for the hydraulic unit may be misrouted so that it comes too close to an electrical pre-resistor for the auxiliary cooling fan.

The heat of the pre-resistor can melt the line, allowing hydraulic fluid to drip on the pre-resistor and possibly catch fire.

Mercedes is urging 400E owners not to use air conditioning until inspection so that no power flows to the pre-resistor.

Chrysler stays in horse races

Chrysler Corp. will continue its exclusive automotive sponsorship of the thoroughbred racing Triple Crown Challenge through 1995.

The renewal agreement was signed by representatives from Chrysler, ABC Sports and Triple Crown Productions.

The Chrysler Triple Crown Challenge will continue in its current format, awarding $5 million in prize money to the owner of any horse that sweeps the Kentucky Derby, Preakness and Belmont Stakes. If no horse sweeps, the owner of the horse with the highest combined finishes after three races will be awarded $1 million.

Chrysler said the "upscale demographics" associated with the racing events prompted the renewal.

Chrysler also will provide official vehicles to the three races and next year will award a 1993 Chrysler Concorde to either the winning owner, trainer or jockey at each race.

Trucks shine as sales edge ahead

10-DAY CAR AND TRUCK SALES, BY MAKE

	June 1-10, 1992	June 1-10, 1991
ALFA ROMEO (imp. car)*	**43**	**74**
Acura (imp. car)	**2,754**	**3,183**
Domestic car	11,044	10,321
Imported car	4,008	2,731
Honda	**15,052**	**13,052**
AMERICAN HONDA	**17,806**	**16,235**
ASTON MARTIN (imp. car)*	**1**	**1**
BMW (imp. car)*	**1,201**	**887**
Domestic car*	2,923	2,888
Imported car*	0	19
Domestic truck*	157	118
Chrysler Division*	**3,080**	**3,025**
Domestic car*	8,232	8,134
Imported car*	552	760
Domestic truck*	17,746	13,323
Imported truck*	81	79
Dodge*	**26,610**	**22,296**
Domestic car*	857	847
Imported car*	235	157
Eagle*	**1,092**	**1,004**
Domestic truck*	6,855	5,147
Jeep*	**6,855**	**5,147**
Domestic car*	4,788	4,731
Imported car*	307	317
Domestic truck*	6,542	4,912
Plymouth*	**11,637**	**9,960**
Domestic car*	16,800	16,600
Imported car*	1,094	1,254
Domestic truck*	31,300	23,500
Imported truck*	81	79
CHRYSLER CORP.*	**49,274**	**41,433**
Imported car*	125	100
Imported truck*	49	49
DAIHATSU*	**174**	**149**
FERRARI (imp. car)*	**16**	**16**
Domestic car	35,563	28,368
Imported car	906	919
Domestic truck	41,595	33,103
Ford Division	**78,064**	**62,390**
Domestic car	4,056	5,424
Lincoln	**4,056**	**5,424**
Domestic car	10,751	8,316
Imported car	1,345	1,509
Mercury	**12,096**	**9,825**
Domestic car	50,370	42,108
Imported car	2,251	2,428
Domestic truck	41,595	33,103
FORD	**94,216**	**77,639**
Domestic car	13,894	15,434
Buick	**13,894**	**15,434**
Domestic car	6,544	6,187
Cadillac	**6,544**	**6,187**
Domestic car	34,406	36,737
Imported car	3,324	3,168
Domestic truck	35,646	31,980
Imported truck	72	36
Chevrolet	**73,448**	**71,921**
GMC	**10,009**	**7,176**
Domestic car	14,824	11,346
Domestic truck	802	793
Oldsmobile	**15,626**	**12,139**
Domestic car	15,903	13,298
Imported car	459	983
Domestic truck	1,008	1,127
Pontiac	**17,370**	**15,408**
Domestic car	5,884	1,568
Saturn	**5,884**	**1,568**
Domestic car	91,455	84,570
Imported car	3,783	4,151
Domestic truck	47,465	41,076
Imported truck	72	36
GENERAL MOTORS	**142,775**	**129,833**
HYUNDAI*†	**2,148**	**1,847**
Imported car*	207	379
Domestic truck	1,598	1,298
Imported truck*	1,731	1,842
ISUZU*	**3,536**	**3,518**
JAGUAR (imp. car)*	**214**	**185**
LAMBORGHINI (imp. car)*	**3**	**3**
LOTUS (imp. car)*	**5**	**5**
MASERATI (imp. car)*	**4**	**4**
Domestic car	1,372	734
Imported car*	2,557	2,937
Domestic truck	153	209
Imported truck*	1,500	2,352
MAZDA*	**5,582**	**6,232**
MERCEDES-BENZ (imp. car)*	**1,339**	**1,129**
Domestic car	3,496	1,680
Imported car*	1,209	1,602
Imported truck*	355	383
MITSUBISHI*	**5,060**	**3,665**
Infiniti	**747**	**557**
Domestic car	2,672	1,874
Imported car*	4,404	4,554
Domestic truck	2,462	2,061
Imported truck*	2,372	2,972
Nissan*	**11,910**	**11,461**
NISSAN MOTOR CORP.	**12,656**	**12,017**
PEUGEOT (imp. car)*	**7**	**60**
PORSCHE (imp. car)*	**63**	**96**
RANGE ROVER (imp. truck)*	**48**	**45**
ROLLS/BENTLEY (imp. car)*	**4**	**4**
SAAB (imp. car)*	**306**	**350**
STERLING (imp. car)*	**0**	**39**
Domestic car	1,005	929
Imported car*	1,052	818
SUBARU*	**2,057**	**1,747**
Imported car	110	89
Imported truck	327	314
SUZUKI†	**436**	**402**
Lexus (imp. car)	**1,179**	**1,506**
Domestic car	7,616	4,943
Imported car	5,212	5,316
Domestic truck	875	0
Imported truck	3,538	4,293
Toyota	**17,241**	**14,552**
TOYOTA MOTOR SALES	**18,420**	**16,058**
Audi (imp. car)*	**143**	**256**
Imported car*	1,439	1,975
Imported truck*	12	138
Volkswagen*	**1,451**	**2,113**
VWoA*	**1,594**	**2,369**
VOLVO*†	**1,362**	**1,347**
YUGO (imp. car)*	**0**	**23**
Domestic car	**185,838**	**163,759**
Imported car	**38,987**	**39,826**
TOTAL CAR	**224,817**	**203,585**
Domestic truck	**125,448**	**101,247**
Imported truck	**10,086**	**12,502**
TOTAL TRUCK	**135,534**	**113,749**
TOTAL CAR & TRK	**360,351**	**317,334**

*Estimated †Breakdown of North American built and imported car sales not available.
There were 9 selling days in the period this year and 8 last year.

JIM HENRY
Staff Reporter

The auto recovery kept crawling along in early June as light-vehicle sales showed a tiny improvement over a relatively strong year-ago period.

Car and light-truck sales totaled 360,351, up 0.9 percent over the 1991 daily selling rate on the strength of a 5.9 percent increase in light trucks. Car sales fell 1.8 percent.

All percentages in this article are based on a comparison of daily sales rates. There were nine selling days in the June 1-10 period this year and eight last year.

So far this year, 10-day sales have been higher than a year ago in 10 of the 16 sales periods.

Last year, relatively strong sales in the June 1-10 period — including a big dose of fleet sales — had some analysts hoping the recovery was at hand. July 1991 was also good, but the hoped-for recovery collapsed by the end of August.

Joseph Phillippi, auto industry analyst for Shearson Lehman Brothers Inc. in New York, said fleet sales had "some impact" on sales this year, but not a "huge ramp-up" like last year.

"The car companies have got religion on program cars," Phillippi said.

Ford Motor Co. showed the biggest improvement of the Big 3, with sales up 7.9 percent, including an 11.7 percent hike in light trucks.

Chrysler Corp. climbed 5.7 percent. Light trucks, including pickups and minivans, jumped about 18.4 percent.

Chrysler's trucks outsold cars nearly 2-to-1.

Automotive News estimates 10-day sales for Chrysler and for most imports.

General Motors, which had a strong period in 1991, fell 2.3 percent, despite a 2.7 percent increase for trucks.

Sales of the Chevy S/T Blazer rose 35.5 percent.

Ford Motor Co. was the only member of the Big 3 to report a car sales increase on a daily rate basis.

Among individual makes of Big 3 cars, Ford, Mercury, Oldsmobile, Pontiac and Saturn posted gains in domestic sales rates.

Sales also were mixed for the Japanese-based companies. American Honda Motor Co. Inc. dropped 2.5 percent, and Nissan Motor Corp. in U.S.A. fell 6.4 percent. But Toyota Motor Sales U.S.A. Inc. rose 2.0 percent.

RUSSIA

Japan automakers take first steps

continued from PAGE 3

emerging entrepreneurial elite.

But the Japanese have a special interest in the Russian Far East — Siberia — because of its geographical proximity. Already, executives say, significant numbers of used cars are flowing to the region from Japan, although not in sufficient numbers to guarantee that a robust new-car market will follow quickly.

"Of course, there are no statistics, but when we go there, we see a great number of Japanese used cars," said Takahashi.

However, the cars are not counted as Japanese vehicle exports because they are sold as scrap. Typically, they are priced under 50,000 yen ($400).

But even that market may dry up soon. Nakamura cited "indications" that the Russian government will soon ban imports of right-hand-drive vehicles.

NOT SURE OF THE RULES

The uncertainty surrounding business decisions in the Commonwealth of Independent States is another real obstacle to carving out a market there, executives here agree. To many, the Russian bureaucracy is little different from the former Soviet bureaucracy in issuing arbitrary decisions that are subject to change without notice.

Indeed, Japanese trading companies are growing impatient with the Russians' slowness in paying for past imports. The complaints were heard in May when Japanese Foreign Minister Michio Watanabe met with the heads of several trading company branches in Moscow.

They told Watanabe that business ties may be interrupted if debts are not paid. Japanese companies reportedly are owed $1 billion, and there are unsettling rumors in Moscow that the Russian government is committed to repaying American and European firms first.

THE CHINA EXPERIENCE

Executives hope that the business environment develops during the next 10 years as China has during the last 10.

"We would like to see some similarity because it has been very effective in China," said Nakamura. "We don't know how they are going to establish that sort of framework of business in Russia."

Japan exported about 75,000 cars to China in 1991, only a third of the record achieved in 1984. But exports are expected to increase as China relaxes its trade barriers.

Japanese carmakers began producing cars and trucks with local partners in China in the mid-1980s. Toyota, Suzuki, Daihatsu, Isuzu and Fuji all have manufacturing operations in China. Mazda recently announced a joint venture with the Japanese trading company C. Itoh & Co. and the Hainan provincial government to build small commercial vehicles on the island of Hainan.

In contrast, Japanese makers exported only 10,000 units to the Commonwealth of Independent States last year. But Toyota, which began shipping cars to the Soviet Union in 1988, accounted for 7,177 of the total, up from 4,210 in 1990.

However, Takahashi says the company's shipments are likely to fall sharply this year because of the deterioration of the commonwealth's commercial and banking framework.

"The banking system hasn't been working in the CIS since the end of last year," he said. "That is the main reason. The customers are there and they paid locally, but the money didn't get to Japan for some reason."

Toyota has seven service and parts outlets in the commonwealth. The first was opened in Moscow in October 1990 and the second in Khaborovsk two months later. The most recent was opened in Perm in April.

"Our current plan is to increase those service stations to 10 this year," said Takahashi.

Most are joint ventures between local and Japanese trading companies. For example, the Moscow service station is half-owned by Toyota's affiliate trader, Toyota Tsusho Corp. The Khaborovsk site is partly owned by Nissho Iwai.

Toyota has no equity in the service centers, and Takahashi said there are no plans to do so.

"They are managed and owned by local people, or local companies," he said. "We give technical training, and when they planned and built those service stations we made suggestions."

The facilities are impressive. In Kiev, a 290,520-square-foot workshop houses eight service bays, a parts operation and a car wash and is staffed by four technicians and two body specialists.

Despite plans to set up more service centers, Toyota does not plan to open a corporate office in the Commonwealth of Independent States. That step has been taken so far only by Honda, which says the first goal of its new Moscow office is to gather data.

"The CIS is a very new-world for us," said a Honda spokesman. "We're trying to find out about it. It is very important for us to know a market first-hand. That has been the Honda way."

Honda's partner in the commonwealth, Kanematsu Corp., opened a Honda showroom in Moscow in May 1991. Last October, a second distributor was set up in Moscow, and a showroom/service outlet was opened in Vladivostock.

Honda, which is exporting the Accord and Civic three-door and four-door models to Russia, sent 64 units in 1991. Honda expects to export about 500 cars to Russia this year and says it sold 105 there through the end of April.

But the company is thinking bigger. Russia's Ministry of Automobiles and Agricultural Machinery has suggested motorcycle production in Russia, and Honda is conducting a feasibility study.

OTHERS WADE IN

In March, Mazda Motor Corp. set up sales units in Lithuania and Estonia and may add Latvia soon. A Mazda spokeswoman said the company exported 600 units to Russia in 1991. Suzuki Motor Co. will start exporting next year.

Nissan last year shipped 1,136 vehicles to Russia, down from 2,925 in 1990. Exports in 1989 were 1,482. For the first four months of this year, 446 vehicles were exported to Russia.

Nissan set up a service center in Vladivostock in the Russian Far East last year and has established outlets in St. Petersburg and Moscow in western Russia. Nissan is also considering opening sales units in the three Baltic states.

Nissan plans to set up at least five service workshops in Siberia within two years.

Selling new cars through the service outlets "will depend on how local authorities stimulate joint-venture activities in the coastal area," said Nakamura.

"If they apply the same incentives as in China, each joint venture will be eligible to buy new cars from foreign countries," he said. "Then I think we can expect some new-car demand from that area."

But Japanese executive agree that the emerging entrepreneurial spirit in the Commonwealth of Independent States will help drive the auto industry.

"Yes," said Nakamura. "But it may take 10 years."

NEW CAR PRICES
In constant 1989 dollars

	1979	1989	1992
Average price	$11,400	$15,344	$17,649
Monthly payments	$ 283	$ 288	$ 293
Loan term (months)	44	56	63
Median monthly income	$ 2,319	$ 2,409	$ 2,722
Payment percent/income	12%	12%	11%

Source: Department of Commerce, NADA

Retail leasing could be tonic to rejuvenate sales

Importers make aggressive push

CHARLES M. THOMAS
Staff Reporter

More emphasis on retail leasing could help manufacturers reach sales of 15 million units annually by providing lower monthly payments and an alternative to long loan terms for cash-squeezed customers.

Retail leasing has risen dramatically since 1982, when it was just under 3 percent of total retail sales.

Last year, it accounted for 14.3 percent of retail vehicle sales, or about 1.3 million units. In the passenger-car segment, 18.1 percent of total sales were leases, and in trucks, the figure was 8.3 percent.

"Almost two of every 10 car retail sales are leases," said George Reganis, assistant director of leasing for General Motors Acceptance Corp.

"Affordability is driving the industry crazy. Leasing could move the industry and get to the 15 million that we have to have," Reganis said.

High vehicle prices, owners' negative equity in their vehicles and the desire for shorter trading cycles are expected to give leasing a boost.

"Import manufacturers are aggressively pursuing leasing right now," Reganis said. "It is a channel of distribution receiving a lot of attention."

According to Reganis, GM's share of the retail-leasing market is 31.6 percent; Ford Motor Co. accounts for 30.6 percent; and Chrysler Corp. stands at 5.7 percent. Asian automakers have 22.2 percent of the market, and European automakers have 9.9 percent.

Consumers are more likely to lease high-priced vehicles than lower-priced vehicles. Retail leasing in the luxury segment shows the most activity by far. Leasing represents 32 percent of luxury deliveries and 50 percent of deliveries of prestige luxury vehicles like Jaguar and Mercedes-Benz.

Fewer than 10 percent of the Hondas, Nissans and Toyotas delivered are leased, but more than 35 percent of Lexus and BMW models are in that category.

Reganis believes that leasing can provide a way for consumers to break the long trading cycles that have become common in the industry. He blames that situation on the failure of customer incomes to keep pace with new-car prices.

"Customers have been able to purchase more expensive cars primarily by extending loan terms," Reganis said. "The problem with extending terms is that the customer doesn't want to stay in a vehicle 60 months."

But customers can lease a vehicle for 36 months with a lower monthly payment than if they purchased it over 60 months, he said.

For example, a buyer would have a monthly payment of $333.33 for 60 months for a vehicle with a selling price of $15,171.

A retail lease on the same vehicle is $306.66 per month for 36 months. At the end of the lease, the customer returns the vehicle and decides whether to lease or buy a new vehicle.

"Leasing can shorten the term of the trading cycle," said Reganis. "That is important to dealers, customers and manufacturers."

In 1979, the average transaction price of a vehicle was $11,400 with a monthly payment of $283. The median monthly family income was $2,319, which meant the payment represented 12 percent of monthly income. The average new-car loan term was 44 months.

> "Affordability is driving the industry crazy. Leasing could move the industry and get to the 15 million that we have to have."
>
> GEORGE REGANIS
> GMAC

According to the National Automobile Dealers Association and the U.S. Department of Commerce, the average transaction price this year is estimated at $17,649 and the monthly payment is $293. The monthly median family income is $2,722 which means the payment as a percent of income is 11 percent. But the average new-car loan term is 63 months.

Customers also have been hurt by relatively flat used-car prices during the past three years. When used-car prices are flat, customers often find themselves "upside-down" — they owe more on their car than it's worth.

Retail consumer leasing is growing most rapidly in the Northeast, which accounted for 25.8 percent of U.S. vehicle sales in 1991. In that region, 17.1 percent of sales were retail leases.

The Southwest accounted for 24.1 percent of retail sales last year, and 18.8 percent of sales in that area were retail leases.

Truck sales account for only 8.3 percent of retail leasing, and most of those are Chrysler minivans, General Motors plastic-bodied minivans and Ford Aerostars.

Cosmetic CAR CARE
Quality in Quantity. Prep and Detailing for Display.
Call for Brochure
714-453-1200
Location Service Coast to Coast

Hole-in-One U.S.A.
1-800-383-7273
Fax 702-828-7274
2470 Wrondel Way, Suite 213
Reno, Nevada 89502
• High Product Visibility
• Increase Dealership Awareness
• Low Rates
• 24-hour Turnaround Time
Quick, free and easy.
Our prices won't put you in the hole.

IF YOUR BUSINESS NEEDS A FRIEND...
By Lee Galles
This may be the best hands-on retail advertising book ever written!
ONLY... $7.77 A Lucky Number For You!
(Plus $2.00 Postage & Handling)
Lee Galles Publications
Attn: Carla Armstrong
P.O. Box 3500
Albuquerque, NM 87190
Toll Free (800) 545-9187
FAX: (505) 761-3027

Chevrolet OKs liability arbitration pact

JOSEPH BOHN
Truck Editor

DETROIT — The Recreation Vehicle Industry Association and Chevrolet have agreed to arbitrate any buyer product complaints involving second-stage manufacturers.

The arbitration agreement covers any motor homes or van conversions built on a Chevrolet chassis. It is aimed at speeding up resolution of consumer complaints.

David Humphreys, RVIA president and general counsel, said the association has also had preliminary discussions with Ford Motor Co. and Chrysler Corp. about adopting similar programs.

"I think they're interested, and we just have to go forward with the process," Humphreys said.

Product disputes between an RV buyer, RV manufacturer and Chevrolet are infrequent, but they can involve large dollar amounts, said Jim Green, Chevrolet assistant RV manager.

"You could have a $50,000 issue. If to satisfy a customer's needs, we buy a $100,000 motor home back, and our chassis was $16,000 of that, that's a little lopsided," Green said.

The real thrust of the agreement is to get customers back on the road quickly after they have a problem with an RV, letting the manufacturers decide later whose warranty should cover it.

"With this agreement, we expect the warranty claim to be approved immediately by either the chassis or motor home manufacturer," Humphreys said.

RVIA will administer the program once an RV company or Chevrolet file a petition for arbitration. A panel of three arbitrators will handle the dispute.

The arbitration agreement is voluntary. But once the RV firm and Chevrolet both agree to arbitrate the claim, the panel's decision will be binding. The agreement excludes personal injury claims.

The arbitration panel must issue a decision within 30 days after the conclusion of a hearing or the submission of written comments, whichever is later.

RV sales are on the rebound

Recreational vehicle sales, which tend to be a harbinger of economic trends, were up strongly in the first quarter, according to the Recreational Vehicle Industry Association.

Wholesale industry shipments rose 55 percent and retail sales were up 20 percent, RVIA said.

David Humphreys, the association's president and general counsel, predicted sales would be up at least 15 percent incalendar 1992, reaching $8 billion.

RV sales have outpaced the economy as a whole for the past three years, RVIA reported.

— Joseph Bohn

GM sticks with glue for F-car roof assembly

Adhesive bonding goes beyond trim

JACK KEEBLER
Staff Reporter

General Motors will glue on the roof of the mostly plastic 1993 Firebird and Camaro.

But that is no surprise. Automakers have been using adhesive bonding for more than a decade, and not just on carpets, mirrors, windshields and trim.

In fact, the current-generation all-steel F-car has a glued-on roof. Engineers find that a single-component epoxy used along panel edges greatly enhances the car's body rigidity.

"We use them on the T-top cars at our Van Nuys, Calif., plant," says S. Norm Kaharala, a staff project engineer with the advanced engineering group at GM. "We use the adhesives to stiffen the car. They're applied around the frame and in various locations."

Kaharala said GM has been using the adhesives for at least 10 years. Most applications are for panel-to-frame bonding. He said the adhesives also can help reduce the number of spot welds required on a panel.

GM will glue on the roofs of the mostly plastic 1993 F-cars: the Chevrolet Camaro, pictured, and the Pontiac Firebird.

"It's good for stress distribution," he said. "And it also fills gaps and acts as sealant on many of the models."

Many of the exterior body panels of the 1993 F-cars are plastic; the panels include the inner and outer doors, roof, front fenders, and front and rear fascias. But most of these are bolted to the steel subframe, not glued. That is unlike GM's front-wheel-drive minivans, where a two-part urethane adhesive holds the semi-structural plastic body panels on the steel subframe.

"We've been using those for about three years without any problems," he said.

From an environmental perspective, Kaharala said that the adhesives can be a problem when used on plastics. They can "contaminate" the plastics. But he said they are not a recycling problem on steels.

"For the shredder, they are just a dust," he said. "And when the steel is reheated to be recast, the plastic simply adds an additional heating value."

Welding will continue to be the primary method for fastening metal body panels together. Adhesives function best on metal sheet when they are used in conjunction with welding or threaded fasteners.

But engineers and customers in the 1990s are becoming much more aware of body rigidity.

And adhesives can make large difference by spreading the fastening loads across the entire edge of the plastic or steel panels.

Chrysler Corp. also has been taking advantage of structural adhesives.

, a supervisor of materials joining with the materials engineering group, said the company has been using the adhesives since 1982 on virtually all of its vehicles.

"We probably lead the industry on their use," he said. "We got into them early because we got into the anti-corrosion technology earlier than others.

"But mostly we use it as an anti-flutter material," he added. "We use it to attach door beams to the outer skins and on hood inners and outer panels."

Jud said adhesives use may have peaked. Basically used to augment spot welds, he said it is more expensive than welding.

"You need to be able to prove the advantage," he said. "It must be a significant sound advantage or sound damping to have it."

Jud said that Chrysler uses a slightly different approach to curing the adhesives used in doors. The company uses an "induction" curing process that puts a magnetic field through the steel for 5 seconds to achieve handling strength.

Adhesives let engineers choose variety of materials

There are two types of adhesives: thermosets and thermoplastics.

Thermosets include epoxies, urethanes, acrylics, cyanoacrylates and anaerobics.

Thermoplastics include: vinyl plastisols and hot melts.

Thermoplastics have the advantage of being able to be remelted and reused.

There are many advantages to the use of adhesives. First, dissimilar sheet products can be easily and strongly joined together. So engineers have an expanded range of materials choices.

Second, on steel sheet bonded with adhesives, the properties of the steel or possible coatings on the steel are not altered.

Finally, one of the biggest advantages for body engineers is even stress distribution across the entire edge of the bonded sheets. This provides greater body rigidity and seals out moisture. It also reduces vibration and noise.

One of the problems with adhesives is curing time.

Engineers describe the hardening process as having two stages.

The first is "handling" strength. That allows the worker to manipulate a piece on the line.

The other is stage "finish" strength that occurs after the adhesive has been heated — up to 300 degrees Fahrenheit — in the paint oven.

— Jack Keebler

NHTSA crash tests find risk high for Vigor, Ram

MAX GATES
Staff Reporter

WASHINGTON — Passengers in the Acura Vigor sedan and the Dodge Ram van are at risk of head and chest injuries, according to the government's consumer crash test program.

Crash results for five other newly tested models showed that driver and front-seat passengers were unlikely to suffer serious head or chest injuries. The vehicles are the Honda Accord sedan, Ford Aerostar minivan, Volvo 240 sedan, Mitsubishi Mighty Max pickup and Cadillac Seville sedan.

The cars were subjected to a 35-mph frontal collision into a barrier for the New Car Assessment Program conducted by the National Highway Traffic Safety Administration. The program's crash test is 5 mph faster than the government's safety compliance requirement for all new vehicles sold in the United States.

The Acura Vigor registered a passenger side head injury score of 1,192. A score of 1,000 or above indicates serious head injury is possible. The Vigor also registered a driver chest-injury score of 66. A score of 60 or above indicates chest injury is possible.

For the full-sized Dodge Ram van, the driver head-injury score was 1,392, the passenger head-injury score was 1,113 and the driver chest-injury score was 66. All scores were above the level at which injury is possible, NHTSA reported.

In addition, the Dodge Ram registered a femur load score of 2,402 for the driver's left leg. That is above the level at which leg injury would be possible.

The Volvo 240 registered a driver head-injury score of 282, the lowest of any 1992 model-year vehicle tested so far under the New Car Assessment Program, NHTSA said.

1992 NEW CAR ASSESSMENT RESULTS

Vehicle	Type of restraint	Head injury* Driver	Head injury* Passenger	Chest injury** Driver	Chest injury** Passenger
Acura Vigor	driver airbag	914	1,192	66	50
Cadillac Seville	driver airbag	598	900	46	42
Dodge Ram	manual belts	1,392	1,113	66	54
Ford Aerostar	driver airbag	485	723	51	57
Honda Accord sedan	driver airbag	501	558	51	45
Mitsubishi Mighty Max	manual belts	980	777	48	53
Volvo 240	driver airbag	282	835	37	39

*Scores of 1,000 or more indicate injury is possible.
**Scores of 60 or above indicate injury is possible.
Source: National Highway Traffic Safety Administration

FREE NEWSPAPER LAYOUT!
Customized For Your Dealership!
Ad Productions, Inc., America's Full Service Automotive Advertising Agency will show you why the nation's top 150 franchises depend on us to bring thousands of customers into their showrooms each and every week.
If you spend $20,000+ per month through an ad agency or direct through the media, let us show you how to get more mileage out of your budget!
FEATURED ON ASTN
OVER 150 FRANCHISES COAST TO COAST:
MAROONE CHEVY/OLDS/DODGE
POTAMKIN • SPITZER
JM PONTIAC/GMC
AL HENDRICKSON TOYOTA
BUDGET RENTAL SALES
KOONS • LEHMAN
NEMET NISSAN/VOLVO
PACIFIC COAST FORD/NISSAN
PARKWAY AUTO SUPERSTORE
SERRA • SOUTH MOTORS
SPORT/PORTER • WALSER
WILLETT ATLANTA/ORLANDO
Call Paul Rosen Or Martin Schleifer
1-800-424-2886
Ad Productions, Inc.
"Newspaper, Radio, Television"
1370 Coral Way, Miami, Florida 33145
(FAX: 305-854-1010) • Established 1969

CUSTOM BANNERS
DELIVERED TO YOU IN
72 HOURS
OR THEY ARE
FREE
HOW?
CALL
8 a.m. - 6 p.m. PST
1-800-925-SIGN
(7446)
SIGNS PLUS
FAX YOUR ORDER TO
1-805-925-5066
FOR ALL OF YOUR SIGN, BANNER, OR LETTERING NEEDS

INCENTIVE WATCH— DEALER INCENTIVES

CONTINUING PROGRAMS

AUDI (1991 models, no expiration date)

Audi 100 and 200	$1,500
Audi 90	$1,000

Rebates apply to models purchased by dealer from Audi of America port stocks.

BMW (no expiration date)

750iL (1991)	$10,000

BUICK (1992 models, expires Aug. 12)

Regal	$1,500

CHRYSLER CORP. (1991-92 models; expires June 30)

Chrysler Imperial, New Yorker Fifth Avenue and Salon	$1,000-2,000, based on number sold
Dodge Dynasty	$1,000-2,000, based on number sold
Stealth	0-$1,000, based on number sold
Jeep Cherokee	$750

HONDA (1992 models, expires July 2)

Civic 4-door	$400
Accord wagon	$1,000
Other Accord	$750

ISUZU (expires June 30)

Impulse (1990-91)	$2,500
Impulse (1992)	$1,500
Impulse (1990-92, California and Southwest region)	$2,500
Stylus (1991)	$800-1,100
Stylus (1992)	$600-800
Stylus (1991, Calif.)	$800-2,000
Pickup (1990-92)	$500-1,500, based on number sold
Rodeo (1990-92)	$500-1,250, based on number sold
Trooper (1990-91)	$750

Dealer has the option of sharing rebate with buyer.

LOTUS (1991, no expiration date)

Elan	$5,000
Esprit Turbo	$11,000-15,000

MITSUBISHI (1991-92 models, expires July 6)

Mirage	$500-1,000, quota
Galant	$1,000-1,500, quota
Galant VR-4	$500-3,000, based on number sold

(Galant VR-4 payments are in addition to other Galant rebates.)

Eclipse	7% of sticker, starts with second sale
Pickup	$1,000-1,500, quota

NISSAN (1992 models, expires July 6)

Stanza	$1,500-2,000
240SX (exclude convertible)	$1,300
Maxima GXE	$1,000
Sentra	$700-1,000
Pickups	$1,000-1,750

PEUGEOT (no expiration date)

405	$5,000
505	$6,000

PORSCHE (1991 models, no expiration date. To qualify for the following rebates, dealers had to buy two cars from port stock by Jan. 17.)

911 Carrera 2, 928	$9,500
911 Carrera 4	$13,500
911 Turbo	$14,000

SUBARU (1992 models, expires Aug. 3)

Loyale	$500
Legacy (invoiced before Feb. 4)	$1,000
Legacy (invoiced after Feb. 4)	$1,500

SUZUKI (expires Aug. 3)

Swift (1992)	$400-700
Sidekick (1992)	$700-1,500
Swift (1991)	$700-1,000
Sidekick (1991)	$500-1,000

VOLKSWAGEN (no expiration date)

Passat (1991)	$1,500
Jetta, Fox, Golf (1991)	$500
All 1990 cars	$500-1,500

TOYOTA (expires Aug. 3)

Tercel (1991-92)	0-$300, quota
Corolla (1992)	$700-$1,500, quota
Pickups	$200-1,400, quota

Chrysler may extend minivan spiff

JOSEPH BOHN
Staff Reporter

Chrysler Corp. may bow to dealers' wishes and extend its customer rebates on minivans.

The company drew an angry response from dealers last week when it announced that the $500 rebates and $50 salesperson incentives on 1992 minivans would end June 22.

Chrysler Corp. officials were working on a new program late last week. An announcement is expected this week.

Chrysler did extend individual equipment discounts on such minivan options as child safety seats, sunscreen glass, quad seats and anti-lock brake systems, which were all part of its "First National Minivan Sale."

Those option discounts were scheduled to end June 22 but now are being extended through Aug. 31.

The announcement to end minivan rebates surprised dealers. Chrysler previously said it would run incentives on a quarter-to-quarter basis to help dealers in their planning.

The automaker's dealers had anticipated that the minivan rebates would run through the end of June or longer.

"The rebates have been on so long we never expected them to end," said Jim Clark, vice president of Armory Garage in Albany, N.Y. Armory, one of the oldest Chrysler-Plymouth dealerships. He has 80 minivans in stock.

Lochmore Chrysler-Plymouth in Detroit also stocked up on minivans, owner Gus Russo said.

Russo, national chairman of the Chrysler-Plymouth Dealer Council, said the council was "adamant" in trying to stop Chrysler from ending the rebates.

"But they said they wanted to decrease incentives," Russo said.

Frank Galeana, owner of Van Dyke Dodge in Warren, Mich., and national chairman of the Dodge Dealer Council, also expressed consternation.

"I gambled this program would continue. We have over 100 minivans in stock in our Florida store," said Galeana.

"I'm concerned they're pulling the plug on rebates. It will slow sales down. The question is, "How long?"

GM expands Protection Plan to older cars

JOSEPH BOHN
Staff Reporter

General Motors is making its GM Protection Plan service contract available to vehicles up to 3 years old, effective today.

The service contract previously had been limited to vehicles operated for less than 18 months or 18,000 miles.

For 1989 to 1991 models, GM had 36-month/50,000-mile bumper-to-bumper warranties. With 1992 models, it switched to a 36-month/36,000-mile warranty.

The plan is available only on General Motors vehicles through GM's franchised dealers, according to Bill Dailey, marketing coordinator for Motors Insurance Corp.'s Mechanical Products Department in Detroit.

The GM Protection Plan can be purchased for new or used cars. On new cars, it offers some services not in the standard warranty, such as rental car coverage. It provides full mechanical coverage once the basic factory warranty runs out.

The plan can provide coverage for a period of up to 72 months/100,000 miles, Dailey said. It has 10 different time/mileage options.

The suggested retail price starts at $370 for 36-month/50,000-mile coverage on a Chevrolet Corsica with no deductible. The suggested retail cost is $1,355 for a 72-month/100,000-mile plan with no deductible for the same car.

The optional service plan gives high-mileage drivers 14,000 more miles than provided in the factory warranty that comes with the car.

INCENTIVE WATCH — CUSTOMER INCENTIVES

CONTINUING PROGRAMS

CHRYSLER CORP.

Expires June 30. Finance rates in lieu of rebates are 0 to 9.9 percent.

1991-92 models

Chrysler Imperial, New Yorker Fifth Avenue	$1,500
N.Y. Salon, LeBaron sedan	$1,000
LeBaron coupe, conv. (1992)	$1,000
LeBaron coupe, conv. (1991)	$500
Dodge Monaco, Daytona (1991 only)	$1,500
Shadow, Dynasty, Spirit	$1,000
Colt 3-dr. (Northeast)	$700
Daytona (1992), Colt	$500
Dodge Ramcharger	$2,000
Ram pickup (gas)	$1,500
Ram wagon (van and conversion)	$1,000
Dakota	$750
Ram 50	$500
Eagle Premier	$1,500
Talon awd (1992)	$1,500
Other Talon (1991-92)	$1,000
Summit 4-dr. (1992)	$1,000
Other Summit (1991-92)	$500
Summit 3-dr., 4-dr. (Northeast)	$700
Jeep Cherokee	$1,500
Comanche	$750
Wrangler	$500
Plymouth Acclaim, Laser awd (1992)	$1,500
Other Laser (1991-92)	$1,000
Sundance	$1,000
Colt 3-dr., (Northeast)	$700
Colt, Colt Vista	$500
All minivans (Calif., Hawaii)	$1,000
All minivans (elsewhere)	$500

FORD MOTOR CO.

1993 models

Expires June 30. In lieu of rebates, 7.9 percent financing is available.

Ford Escort	$200-400
Mercury Tracer	$200

1992 models

Expires June 30. In lieu of rebates, finance rates of 2.9 to 7.9 percent are offered. Some rebates vary by regions.

Ford Probe	$1,500
Thunderbird Sport, SC (Calif. only)	$1,500
Taurus SHO	$1,000
Other Taurus, Mustang	$500-1,000
Escort	$400-1,000
Thunderbird, Tempo, Crown Victoria, Festiva	$500
Crown Victoria (expires Sept. 23) For owners of Ford Motor products	$1,000
Ford Bronco, Econoline (RV)	$1,000
Ranger	$750-1,000
Aerostar	$500-1,000
F series	$400
Lincoln (all)	$1,500
Mercury Sable	$500-1,000
Capri	$750
Tracer	$400-1,000
Topaz, Cougar, Grand Marquis	$500
Cougar (expires June 30) for owners of Ford Motor products	$1,000
Grand Marquis (expires Sept. 23) for owners of Ford Motor products	$1,000

1991 models

Expires June 30. In lieu of rebates, finance rates of 2.9 to 7.9 percent are offered. Some rebates vary by regions.

Ford Thunderbird, Probe	$1,500
Mustang	$1,000-1,500
Festiva	$1,000
Escort	$750
Taurus SHO	$600-1,000
Other Taurus	$400-1,000
Tempo	$400
Ford Bronco, Econoline E150 RV	$1,000
Aerostar	$400-1,000
Ranger, F series, other Econoline	$400
Mercury Capri	$2,000
Sable, Cougar	$1,500
Tracer	$750
Topaz	$400

GENERAL MOTORS

1992 models

Expires Sept. 23 unless otherwise noted. In lieu of rebates, finance rates of 2.9 to 6.9 percent are offered. Some rebates vary by regions.

Buick Century, LeSabre	$250-1,000
Skylark	$500-1,250
Regal	$750-1,000
Roadmaster, Park Avenue	$1,000
Riviera	$2,000

Rebates based on option package ordered.

Cadillac (expires June 30) DeVille, Brougham	$1,500
Chevrolet Geo Metro (manual), Camaro, Corsica, Beretta, Caprice	$500
Geo Metro (automatic)	$700
Cavalier	$750
Metro conv.	$1,000
Geo Storm, Geo Prizm, Lumina	$1,500
C/K pickups (until June 30)	$400
C/K pickups (after July 1)	$300
Astro, G-Van	$500
Geo Tracker (2wd), S/T pickup, Lumina APV	$750
Geo Tracker (4wd)	$1,000
G-Van Upfit	$1,300
S/T Blazer	$2,000
GMC Sierra (expires June 30)	$400
G-Van, Safari	$500
Sonoma	$750
Jimmy (exclude Typhoon)	$2,000
Oldsmobile Silhouette, Eighty Eight	$500-1,000
Cutlass Supreme	$500-1,250
Custom Cruiser, Bravada	$500-2,000
Toronado	$500-2,500
Achieva	$750
Cutlass Ciera	$1,000
Ninety Eight	$1,500

Some rebates vary by regions

Pontiac Sunbird, Grand Am	$500
Grand Prix	$500-750
Bonneville, Firebird, Trans Sport	$750

Rebates vary by geographical areas.

1991 models

Chevrolet Geo Storm (expires Sept. 23)	$750

HYUNDAI (expires July 6)

Excel (1991)	$1,200
Excel (1992)	$500
Elantra (1992)	$1,000
Scoupe (1991)	$1,000
Scoupe (1992)	$750
Sonata (1991)	$2,000
Sonata (1992)	$1,500

MAZDA (1992 models, expires July 6)

Protege, MX-6	$1,400
626	$1,200
Navajo	$500-1,500
Pickups	$500-1,400

Navajo and pickup rebates vary by model and region.

SUBARU (1992 models, expires Aug. 3)

Loyale (fwd sedans)	$500
Loyale (awd wagons)	$500

calendar

DEALER CONVENTIONS — '92

June 23-28 — Arkansas Automobile Dealers Association, Half Moon Club, Montego Bay, Jamaica, (501) 372-2596

July 23-26 — Nevada Franchised Auto Dealers Association, Doubletree Hotel, Monterey, Calif., (702) 331-6884

Oct. 25-28 — Federation of Automobile Dealer Associations of Canada, Quebec City, (416) 940-4959

AUTO SHOWS — '92

July 23-25 —International Trucking Show, Anaheim, Calif.

Oct. 2-25 — State Fair of Texas Auto Show, Fair Park, Dallas, (214) 421-8728

Oct. 8-18 — Paris auto show, Paris, (1) 47 23 59 40

Oct. 13-25 — Los Angeles Recreation Vehicle Show, Recreation Vehicle Industry Association, Fairplex exposition complex, Pomona, Calif., (703) 620-6003

Oct. 15-18 — Auto Expo '93, Long Island's International New Car Show, Nassau Veterans Memorial Coliseum, Uniondale, Long Island, N.Y., (516) 368-8000

Oct. 16-18 — Northwood Institute Automotive Industry Show, Northwood Institute, Midland, Mich., (517) 837-4237

Oct. 23-Nov. 1 — South Florida International Auto Show, Miami Beach Convention Center, Miami Beach, Fla., (305) 758-2643

Oct. 28-Nov. 1 — Autobus RAI, Maastricht Exhibition and Congress Centre, Amsterdam, Netherlands

Oct. 31-Nov. 8 — New England International Auto Show, Bayside Exposition Center, Boston, (800) 732-2914

Nov. 6-8 — Auto Expo '93, Southern Connecticut's International New Car Show, New Haven Veterans Memorial Coliseum, New Haven, Conn., (516) 368-8000

Nov. 6-8 — Rhode Island Auto Show, Providence Civic Center, Providence, R.I., (800) 345-1487

Nov. 11-15— Florida International New Car Show, Tampa Convention Center, Tampa, Fla., (800) 345-1487

Nov. 11-15 — Greater Sacramento International Auto Show, California Exposition & State Fairgrounds, Sacramento, Calif., (800) 732-2914

Nov. 12-15 — Massachusetts International Auto Show, Centrum, Worcester, Mass., (508) 752-5240

Nov. 12-15 — Auto Expo '93, Northern New Jersey's International New Car Show, Meadowlands Convention Center, Secaucus, N.J., (516) 368-8000

Nov. 19-22 — Jacksonville International Auto Show, Prime F. Osborn III Convention Center, Jacksonville, Fla., (800) 345-1487

Nov. 20-22 — Hampton Roads International Auto Show, Pavilion Virginia Beach Convention Center, Virginia Beach, Va., (800) 345-1487

Nov. 20-22 — Connecticut International Auto Show, Hartford Civic Center, Hartford, Conn., (203) 246-6566

Nov. 25-29 — Central Florida International Auto Show, Orange County Civic Center, Orlando, Fla., (407) 352-3420

Dec. 9-13 — Dayton Auto Show, Dayton Convention Center, Dayton, Ohio, (513) 825-1600

Dec. 9-13 — Las Vegas International Motor Car Show, Sands Expo Center, Las Vegas, (702) 369-6949

Dec. 26-Jan. 3 — National Capital Area International Auto Show, Washington Convention Center, Washington, (800) 732-2914

AUTO SHOWS — '93

Jan. 9-17 — Philadelphia International Auto Show, Philadelphia Civic Center, Philadelphia, (800) 345-1487

Jan. 21-24 — Carolinas International Auto Show, Charlotte Convention Center, Charlotte, N.C., (800) 345-1487

Jan. 23-31 — Pennsylvania Auto Show, Pennsylvania State Farm Show Complex, Harrisburg, Pa., (800) 345-1487

Feb. 2-7 — Greater Metro Portland International Auto Show, Oregon Convention Center, Portland, Ore., (800) 732-2914

Feb. 4-7 — Greater Charlotte Automobile Dealers Auto Show, Charlotte Merchandise Mart, Charlotte, N.C.

Feb. 5-7 — York Auto Show, York Fairgrounds, York, Pa., (800) 345-1487

Feb. 6-14 — Greater Milwaukee Auto Show, Milwaukee Exposition & Convention Center & Arena, Milwaukee, (800) 345-1487

Feb. 17-21 — Atlanta Journal/Constitution International Auto Show, Georgia World Congress Center, Atlanta, (800) 732-2914

SCHEDULED PLANT CLOSINGS

Plant	Weeks down	Units lost/ week
CHRYSLER		
Bramalea, Ontario	†	
Toledo, Ohio	6/22, 6/29	*
Jeep Cherokee		
Jeep Briarwood		
FORD		
Wayne, Mich.	6/22	2,900
Ford Escort		
Edison, N.J.		**
Ford Ranger		
Twin Cities		
(St. Paul, Minn.)		**
Ford F-series pickup		
Ford Ranger		
DIAMOND-STAR MOTORS		
Normal, Ill.	6/22	*
Eagle Talon		
Mitsubishi Eclipse		
Plymouth Laser		
NISSAN		
Smyrna, Tenn.	5/22, 6/29	***
Sentra		
Pickup		
Total U.S. car		2,900
Total units lost week of 6/22		2,900

†Plant closed for retooling.
*Model changeover
**Plant closed until September for model changeover
***Vacation.
Source: Automotive News Data Center

obituaries

Rueben Amundson

SCOTTSDALE, Ariz. — Rueben Amundson, owner of Amundson and Evan Chevrolet died June 12. He was 85.

Neil Froment

SCOTTSDALE, Ariz. — Neil Froment, retired regional fleet manager for Chevrolet, died June 4. He was 77.

Albert Marble

HAVERHILL, Mass. — Albert "Ted" Marble, founder of Marble Motor Co. (Cadillac-Oldsmobile), died May. 19. He was 91.

Nicholas Martino

ANSONIA, Conn. — Nicholas Martino, a retired 45-year veteran salesman for Crabtree Haas (Cadillac-Oldsmobile) in Westport, Conn., died June 12. He was 73.

Catherine Pundmann-Niedner

ST. CHARLES, Mo. — Catherine Pundmann-Niedner, 73, president of Pundmann Ford, died May 25.

James Traynor

FAIRFIELD, Conn. — James Traynor, 55, former president of Traynor Motors and president of Traynor Auto Body, died June 15.

G. Gale Wisbach

DUXBURY, Mass. — G. Gale Wisbach, 74, retired president and treasurer of Mayflower Chrysler-Plymouth in Plymouth, Mass.; Porter Square Dodge in Cambridge, Mass.; and Gale Motors in Fall River, Mass., died May 17.

Paul Wolf

AUBURN, Mass. — Paul Wolf, 70, founder of Wolf Coach Inc., an ambulance and specialty vehicle maker, died May 30.

U.S. AND CANADA CAR AND TRUCK PRODUCTION

Vehicles are assembled in the United States unless noted. Vehicles are cars unless noted.

	Est. 6/15-6/20/92	Actual 6/8-6/13/92	6/1-6/20/92	Year 1/1-6/20/92	Year 1/1-6/22/91
LeBaron J	1,500	1,506	4,532	28,107	18,697
New Yorker	325	355	1,126	8,157	3,787
Fifth Avenue	1,200	1,221	3,770	18,155	16,137
Imperial	70	85	282	2,566	3,710
Town & Country (trk.)	210	344	963	7,079	1,642
Total Chrysler Div.	**3,305**	**3,511**	**10,673**	**64,064**	**43,973**
Sundance	1,350	1,367	4,387	28,616	20,802
Acclaim	1,750	1,681	5,019	37,504	41,323
Voyager (trk.)	2,460	2,458	7,309	47,191	46,853
Voyager (Can. trk.)	2,682	2,539	8,258	64,675	52,453
Total Plymouth	**8,242**	**8,045**	**24,973**	**177,896**	**161,431**
Daytona	350	317	1,111	6,454	4,936
Shadow	2,500	2,491	8,093	47,287	24,117
Dynasty	2,450	2,455	7,575	41,158	55,222
Spirit	1,625	1,746	5,238	35,764	37,478
Viper	5	9	20	51	0
Monaco (Can.)	0	0	0	0	4,698
Caravan (trk.)	3,252	3,027	9,352	61,228	50,340
Caravan (Can. trk.)	3,756	3,501	11,325	86,289	71,370
Caravan C/V (trk.)	180	181	525	1,815	2,118
Caravan C/V (Can. trk.)	162	154	527	4,203	12,046
Dakota (trk.)	4,380	3,899	11,922	68,216	38,841
Ram pickup (trk.)	1,410	1,288	3,902	29,808	38,774
Ram wagon (Can. trk.)	540	533	1,582	12,031	11,084
Ram van (Can. trk.)	1,812	1,851	5,526	33,226	19,649
Total Dodge	**22,422**	**21,452**	**66,700**	**427,530**	**378,673**
Premier (Can.)	0	0	0	0	5,397
Cherokee (trk.)	0	3,325	7,013	66,961	62,267
Comanche (trk.)	0	0	0	915	2,583
Grand Cherokee (trk.)*	2,400	2,037	6,846	30,758	1,590
Briarwood (trk.)	0	0	0	325	1,377
Wrangler (Can trk.)	0	0	0	29,026	28,170
Total Jeep-Eagle	**2,400**	**5,362**	**13,859**	**127,985**	**101,384**
Total U.S. car	**13,125**	**13,233**	**41,153**	**253,819**	**226,209**
Total Can. car	**0**	**0**	**0**	**0**	**10,995**
Total U.S. truck	**14,292**	**16,559**	**47,832**	**314,206**	**246,385**
Total Can. truck	**8,952**	**8,578**	**27,226**	**229,450**	**194,772**
CHRYSLER CORP.	**36,369**	**38,370**	**116,205**	**797,475**	**677,461**
Escort	5,730	5,759	17,286	91,802	93,913
Mustang	2,805	2,820	8,440	48,009	38,957
Tempo	2,988	2,956	8,852	66,984	54,343
Tempo (Can.)	3,351	3,406	10,155	62,368	57,402
Taurus	9,514	9,655	28,864	192,161	165,785
Thunderbird	2,425	2,532	7,383	43,388	37,773
Crown Victoria (Can.)	3,099	3,030	8,284	52,671	43,811
Aerostar (trk.)	4,160	4,225	12,610	90,741	78,097
Bronco (trk.)	699	756	1,455	11,273	6,449
Explorer (trk.)	6,711	6,458	19,676	153,483	134,413
Mazda Navajo (trk.)	150	159	457	2,852	5,725
Econoline (trk.)	4,486	4,482	13,448	96,333	65,041
Heavy (trk.)	925	969	2,861	22,477	16,175
Light truck (trk.)	9,767	10,731	29,117	222,016	138,593
Light truck (Can. trk.)	3,056	3,076	9,172	70,760	48,879
Ranger (trk.)	4,389	7,053	19,042	148,741	126,253
Total Ford Division	**64,255**	**68,967**	**197,192**	**1,376,059**	**1,111,609**
Topaz	1,425	1,474	4,416	29,414	23,006
Topaz (Can.)	1,469	1,441	4,356	24,687	18,132
Cougar	1,025	1,090	3,311	29,115	27,946
Sable	3,378	3,445	10,228	63,439	53,632
Grand Marquis (Can.)	2,701	2,820	7,641	49,924	44,458
Mercury Villager (trk.)	352	283	917	1,963	0
Nissan Quest (trk.)	228	182	582	1,069	0
Total Mercury	**10,578**	**10,735**	**31,451**	**199,611**	**167,174**
Continental	835	865	2,506	19,054	27,959
Mark VII	0	0	0	2,375	4,890
Town Car	2,552	2,580	7,557	57,102	65,766
Total Lincoln	**3,387**	**3,445**	**10,063**	**78,531**	**98,615**
Total L-M Division	**13,965**	**14,180**	**41,514**	**278,142**	**265,789**
Total U.S. car	**32,677**	**33,176**	**98,843**	**642,843**	**583,970**
Total Can. car	**10,828**	**10,697**	**30,436**	**189,858**	**163,803**
Total U.S. truck	**31,867**	**35,298**	**100,155**	**756,948**	**578,746**
Total Can. truck	**3,856**	**3,676**	**9,172**	**70,760**	**48,879**
FORD MOTOR CO.	**78,228**	**82,247**	**238,616**	**1,654,201**	**1,377,398**
Skylark	1,643	1,515	3,951	29,628	34,929
Century	2,365	2,364	7,637	42,372	44,487
Regal (Can.)	3,000	3,026	9,121	49,163	57,925
Riviera	286	297	878	6,165	4,204
Park Avenue	754	792	2,290	29,975	48,614
LeSabre	4,221	4,248	12,677	78,120	35,172
Roadmaster sedan	0	750	1,440	20,656	8,420
Roadmaster wagon	200	203	617	5,977	10,808
Reatta	0	0	0	0	1,206
Total Buick	**12,469**	**13,195**	**38,611**	**282,056**	**245,765**
Eldorado	616	639	1,895	19,227	6,395
Seville	1,371	1,421	4,212	26,545	12,909
Brougham	0	0	0	2,170	9,625
DeVille	3,806	0	7,435	58,949	69,942
Allante	64	64	192	856	1,510
Total Cadillac	**5,857**	**2,124**	**13,734**	**107,747**	**100,381**
Cavalier	4,755	5,138	15,077	112,905	132,020
Camaro	1,796	2,094	5,681	34,195	24,197
Corsica-Beretta	5,546	4,552	14,597	100,993	125,170
Lumina (Can.)	6,200	6,214	18,762	117,704	109,371
Caprice	1,760	3,621	8,780	54,526	66,162
Corvette	568	672	1,827	10,731	10,919
Astro (trk.)	3,150	2,494	8,586	74,643	49,381
Blazer (trk.)	701	902	1,827	11,507	3,965
Lumina APV (trk.)	1,212	1,189	3,622	22,862	19,928
Mediums (trk.)	0	240	509	3,221	2,150
P-model (trk.)	812	560	2,065	12,108	8,683
Pickup (trk.)	6,601	5,505	18,670	132,144	124,055
Pickup (Can. trk.)	4,100	4,119	12,078	94,236	57,538
S10 (trk.)	4,406	3,635	11,606	90,102	125,578
S10 Blazer (trk.)	2,803	2,870	8,145	64,000	24,452
Sportsvan (trk.)	0	0	0	11,405	20,542
Sportsvan (Can. trk.)	2,000	2,048	6,068	38,254	26,038
Suburban (trk.)	1,705	1,311	4,831	25,155	13,312
Total Chevrolet	**48,115**	**46,862**	**142,743**	**1,010,691**	**953,461**
Achieva/Calais	2,950	3,035	8,923	61,334	34,616
Cuttass Ciera	3,092	3,093	9,758	65,528	37,128
Cuttass Ciera (Can.)	0	0	0	0	34,470
Cuttass Supreme	2,370	2,404	7,162	41,692	52,656
Toronado	94	95	286	3,095	2,778
Eighty Eight	937	933	2,807	36,319	30,947
Custom Cruiser wag.	40	43	121	1,926	5,160
Ninety Eight	826	0	1,636	16,432	37,311
Silhouette (trk.)	257	263	781	8,005	10,359
Bravada (trk.)	123	151	322	6,734	8,608
Total Oldsmobile	**10,589**	**10,017**	**31,796**	**241,065**	**254,033**
Sunbird	1,805	2,135	5,931	47,011	61,250
Grand Am	6,199	5,103	18,255	122,579	87,060
Firebird	504	606	1,619	12,274	8,085
Grand Prix	2,700	2,700	8,102	54,992	49,508
Pontiac 6000	0	0	0	0	20,286
Benneville	1,328	1,331	4,006	48,660	23,434
Trans Sport (trk.)	1,375	1,389	4,150	19,638	12,851
Total Pontiac	**13,911**	**13,264**	**42,063**	**305,154**	**262,474**
Yukon-Jimmy (trk.)	254	17	349	3,429	1,045
Medium (trk.)	0	336	636	10,926	4,564
P-model (trk.)	85	44	180	1,219	1,471
Pickup (trk.)	2,439	1,977	7,029	51,441	54,244
Pickup (Can. trk.)	1,450	1,434	4,255	34,216	26,627
Syclone-Sonoma (trk.)	1,476	1,075	3,277	24,063	27,905
Typhoon-S15 Jimmy (trk.)	1,026	839	2,561	20,493	8,926
Safari (trk.)	1,340	1,101	3,736	31,127	21,326
Suburban (trk.)	852	716	2,409	15,579	11,855
Vandura (trk.)	0	0	0	5,803	9,921
Vandura (Can. trk.)	600	600	1,904	17,021	10,931
Total GMC	**9,522**	**8,139**	**25,336**	**215,317**	**178,815**
Total Saturn*	**4,370**	**4,370**	**13,110**	**94,003**	**33,510**
Total U.S. car	**56,966**	**54,218**	**170,902**	**1,239,835**	**1,130,418**
Total Can. car	**9,200**	**9,240**	**27,883**	**166,867**	**201,706**
Total U.S. truck	**30,617**	**26,314**	**85,303**	**645,604**	**565,121**
Total Can. truck	**8,150**	**8,199**	**24,385**	**183,727**	**131,134**
GENERAL MOTORS	**104,933**	**97,971**	**308,393**	**2,236,033**	**2,028,439**
Can. car	2,350	2,343	6,992	53,870	60,773
Can. trk.	1,500	1,478	4,387	33,341	27,364
CAMI*	**3,850**	**3,821**	**11,379**	**87,211**	**88,137**
DIAMOND-STAR*	**2,704**	**3,143**	**9,085**	**76,042**	**72,580**
Civic	2,146	2,222	6,561	47,074	44,904
Civic (Can.)	2,200	2,199	6,567	53,841	52,843
Accord	7,787	7,596	23,029	187,354	173,677
Total U.S. car	**9,933**	**9,818**	**29,596**	**234,428**	**218,581**
Total Can. car	**2,200**	**2,199**	**6,567**	**53,841**	**52,843**
HONDA	**12,133**	**12,017**	**36,157**	**288,269**	**271,424**
HYUNDAI Sonata (Can.)	**100**	**381**	**806**	**6,728**	**14,486**
MAZDA*	**3,557**	**3,876**	**10,868**	**42,340**	**73,738**
U.S. trk.	1,550	1,552	4,649	32,150	36,928
Can. trk.	205	224	634	4,170	3,650
NAVISTAR	**1,755**	**1,776**	**5,283**	**36,320**	**40,578**
Sentra	2,760	2,289	7,471	63,279	67,178
Pickup (trk.)	2,310	2,727	7,926	65,703	65,986
NISSAN	**5,070**	**5,016**	**15,397**	**128,982**	**133,164**
Geo Prizm	1,600	1,597	4,817	42,721	48,968
Toyota Corolla	2,500	2,546	7,564	57,042	51,510
Toyota Pickup (trk.)	1,700	1,682	5,064	25,798	0
NUMMI	**5,800**	**5,825**	**17,445**	**125,561**	**100,478**
Legacy	1,200	1,120	3,525	28,494	27,263
Pickup (trk.)	520	484	1,520	11,105	0
Rodeo (trk.)	980	891	2,870	19,897	0
Total U.S. car	**1,200**	**1,120**	**3,525**	**28,494**	**27,263**
Total U.S. trk.	**1,500**	**1,375**	**4,390**	**31,002**	**24,567**
SUBARU-ISUZU	**2,700**	**2,495**	**7,915**	**59,496**	**51,830**
Camry	5,892	5,337	16,165	115,822	107,947
Corolla (Can.)	1,500	1,522	4,533	35,829	33,502
TOYOTA	**7,392**	**6,859**	**20,698**	**151,651**	**141,449**
VOLVO 740, 940 (Can.)	**150**	**150**	**450**	**3,363**	**4,281**
AM GENERAL (trk.)	**375**	**375**	**1,125**	**8,925**	**10,050**
MISCELLANEOUS (trk.)**	**2,400**	**2,400**	**7,200**	**57,120**	**66,870**
Total U.S. car	**133,314**	**130,353**	**399,983**	**2,796,665**	**2,618,366**
Total Canada car	**25,120**	**25,532**	**77,067**	**518,148**	**541,549**
Total U.S.-Canada Car	**158,434**	**155,885**	**477,050**	**3,306,813**	**3,159,917**
Total U.S. truck	**86,611**	**88,292**	**263,054**	**1,931,456**	**1,585,853**
Total Canada truck	**21,863**	**21,555**	**65,718**	**521,448**	**485,799**
Total U.S.-Canada truck	**108,474**	**109,837**	**329,372**	**2,452,904**	**1,991,652**
TOTAL U.S.	**219,925**	**218,635**	**663,037**	**4,728,121**	**4,284,221**
TOTAL CANADA	**47,983**	**48,087**	**143,385**	**1,031,596**	**947,348**
TOTAL U.S.-CANADA CAR & TRUCK	**267,908**	**266,722**	**807,822**	**5,759,717**	**5,151,569**

e-Estimate
*1991 figures reflect Grand Wagoneer production.
†CAMI includes Geo Metro and Suzuki Swift cars and Geo Tracker and Suzuki Sidekick trucks; Diamond-Star includes Eagle Summit and Talon, Mitsubishi Eclipse and Mirage and Plymouth Laser; Mazda includes MX-6, 626 and Ford Probe.
**Estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz.
Source: Automotive News Data Center.

Overtime heavy in buildout

GWENDOLYN ZONGHETTI
Special Correspondent

Despite the onset of the model changeover season, the Big 3 scheduled overtime at 10 truck and eight car plants last week.

In the same week last year, three plants were idle for model changeover, and one was idle due to slow sales and high inventories.

For the year to date, car and truck production in the United States and Canada is 5,759,717, up 11.8 percent over the 5,151,569 produced at this point a year ago.

The Diamond-Star Motors plant in Normal, Ill., has discontinued production of the Eagle Summit and Mitsubishi Mirage. The plant will continue to build the Eagle Talon, Mitsubishi Eclipse and Plymouth Laser.

In Canada, calendar-year car and truck production reached 1 million last Tuesday, three weeks ahead of last year.

Estimated U.S. car production last week was 133,314, up 2.3 percent from the prior week and up 13.7 percent over last year.

Year-to-date car production in the United States is 2,796,665, up 6.8 percent over 1991.

Canadian plants assembled an estimated 26,120 cars last week, down 1.6 percent from the prior week, and 8.2 percent below 1991.

So far this year, Canadian car production is estimated at 510,148, down 5.8 percent.

In the United States, 86,611 trucks were built last week, down 1.9 percent from the prior week but up 2.9 percent over last year.

U.S. truck production so far this year is estimated at 1,931,456, up 21.8 percent from 1991.

In Canada, 21,863 trucks were built last week, up 1.4 percent from the prior week and 2.4 percent from the year-ago week.

Year-to-date truck production in Canada is 521,448, up 28.5 percent.

Last week's estimated daily build rate of cars and trucks in the United States and Canada was 53,582, up 0.4 percent over the prior week and 6.6 percent over the year-ago week.

General Motors scheduled Saturday overtime last week at three car plants: Wentzville, Mo.; Lansing, Mich. (C Plant); and Wilmington, Del.

In Ontario, GM's Oshawa and Scarborough truck plants also worked overtime last Saturday.

The company's Moraine, Ohio, and Janesville, Wis., plants worked daily overtime last week.

Ford Motor Co. slated daily overtime at four car plants (Wixom, Mich.; Atlanta; Chicago; and St. Thomas, Ontario) and three truck plants (Kansas City, Mo.; Louisville, Ky.; and St. Louis.)

Chrysler Corp. worked Saturday overtime last week and has scheduled daily overtime this week at three truck plants: St. Louis; Warren, Mich.; and Jefferson North (Detroit).

Chrysler's Sterling Heights, Mich., car plant worked last Saturday and will work daily overtime this week.